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The Shape of Things

IN THE QUARREL BETWEEN THE FRENCH Committee of Liberation and the government of Lebanon neither contestant emerges spotless, but both appear somewhat less tarnished than the British referee. Back in 1936 the government of Leon Blum promised Syria and Lebanon, both mandated to France by the League, that they would be granted independence in 1939. The outbreak of war in that year made fulfilment of the pledge impossible. With the fall of France, the Vichy regime revoked the pledge entirely, but when its forces were driven out of the two Near Eastern states by the British and Free French, General Catroux renewed the promise, adding that "their sovereign status will be guaranteed by a treaty in which our mutual relations will be defined." There is no reason whatever to doubt that the Fourth Republic will honor that promise. But the French Committee of Liberation is not the Fourth Republic. Having no sovereign status of its own, it is utterly unable to confer that boon upon the state of Lebanon. As a Committee spokesman points out, Lebanon is "in process" of attaining a new independent status linked to France by treaty. But Lebanese leaders, tired of the long wait and inflamed by Pan-Arab agitation, decided that the time was ripe to take advantage of the scarcely hidden hostility between their French political guardians and their British military protectors. Without benefit of discussion they declared themselves sovereign and independent. Whereupon the French Delegate-General, Jean Helleu, cracked down with all the harshness of imperial usage. Violence followed, and the Arab world flared up in protest.

*

DESPITE THE UNREASONABLE IMPATIENCE of the Lebanese and the indefensibly drastic reaction of the French, the situation is not hopeless provided the British act in good faith. It is hard to believe that they have done so in Lebanon up to now. They have worked at cross purposes with the Free French from the start of the Syrian-Lebanese occupation and have made no secret of their long-standing antagonism toward French influence in this part of the world. Now that the French find themselves in difficulties, the British appear to be doing everything possible to lower the prestige of their ally. In shocked tones they condemn the arrest of Leba-

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nese leaders, as though the world had never heard of the imprisonment of Gandhi and Nehru, and in a blend of hypocrisy and intimidation they warn over the B. B. C. of "measures which it [the British government] might see itself forced to take to keep the pledges of Britain toward the Lebanese [and] to maintain British honor throughout the Arab world." Is this one more incident in the long campaign to discredit General de Gaulle? More important, is it part of a larger design to keep France in a subordinate role after the war? M. Helleu was in effect repudiated at Algiers when General Catroux was dispatched to Beirut, and a settlement now should not be impossible. The British can make a genuine contribution not by threats of force and demagogic appeals to Arab nationalism, but by recognizing Catroux's proven integrity and by extending to both sides their good offices. The Lebanese may be satisfied that the colonial problem cannot be solved by the individual action of small states in the midst of a world war if they are convinced that it *will* be solved by a coherent policy worked out at the peace table.

*

THE IMMENSE TASK OF POST-WAR RELIEF confronting the newly formed United Nations Relief and Rehabilitation Administration may be seen by comparing the estimates of need submitted at Atlantic City with the shipments of the American Relief Administration after the last war. Europe's total relief requirements during the first six months after the war are estimated at 45,855,000 metric tons, of which 9,500,000 tons will have to be shipped from the United States and the rest of North America. Russia's needs, known to be enormous, were not included in the estimate, while China has indicated that it will need 3,200,000 tons during the same period. Shipments by the A. R. A. in the first eight months after the close of World War I—hitherto regarded as a herculean achievement—fell short of 5,000,000 tons. Offsetting to some degree the increase in the volume of goods required is the fact that the organization of the relief effort is far advanced over that existing some months after the end of World War I. Although differences in viewpoint among the various nations were in evidence at Atlantic City, more real cooperation exists among the United Nations today than was ever present among the Allies in 1918-19. This development augurs well for the peace, provided the larger issues are approached in the same spirit.

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AS ITS FIRST PROJECT UNRRA MIGHT WELL undertake to assist in the relief of the Indian famine. The agreement setting up the organization includes among its objectives "the relief of victims of war in any area under the control of the United Nations," and the plight of the starving people of India is certainly in part due to the war. For not only has the Japanese invasion of Burma cut off imports which normally play an important marginal role in India's precarious balance of nutrition, but the transformation of India into a major war base has overtaxed its transport system and multiplied the problem of distributing supplies which exist in the country. In meeting these problems India needs technical rather than financial help. It has money to buy food from abroad to the extent that shipping is available. But to a large extent the shortages could be met if a way could be devised to end hoarding within the country. This is not so much a matter of coercing a few big speculators as of persuading millions of peasants to part with their scanty surpluses. Most of them raise barely more than enough for their families to subsist upon but usually they market small quantities of grain in order to buy cloth and a few other necessities. When such goods are not available, as at present, they have no inducement to sell. That is why a shipload of cotton goods might go farther in relieving Indian hunger than several shiploads of wheat. A somewhat similar though less desperate problem has already been tackled by Allied relief organizations in North Africa and it is possible that the experience gained there could be turned to account in India, if the British authorities are not too proud to accept help. The new Viceroy, Lord Wavell, has shown more appreciation of the situation and more energy than his predecessor and it is claimed that the famine is under control. But the scope for international aid remains great.

*

"OLD NOTRE DAME STILL REIGNS OVER ALL." So says the Associated Press. And well it might, for in four successive weeks Old Notre Dame has triumphed over Navy, Army, Northwestern, and Dr. Francis E. McMahon. The last of these victories has been protested, however, and in the end may prove to be of the Pyrrhic variety. Dr. McMahon, a teacher of philosophy at Notre Dame, has been ousted for making public pronouncements on matters not strictly philosophical. A vocal opponent of isolation even before we got into the war, Dr. McMahon has been speaking out in favor of international collaboration. He asks for friendly relations after the war with all our allies, and he includes the Soviet Union. He is known to consider communism far less a menace than the cult of the Nazis. Abhorring anti-Semitism, he has in his zeal seen fit to condemn Father Coughlin. And above all he has persisted in calling General Franco a fascist, an idea which he may uncritically have picked up from the General himself. As Dr. McMahon has discovered, the Notre Dame authorities "do not want the name of the university associated with the promulgation of these views." As views they do not seem to us un-Catholic. But who are we to judge? Dr. McMahon suggests that "powerful pressure has been exerted on the univer-

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sity authorities to muzzle" him. And who, we are led to wonder, is in a position to bring such pressure on the country's most renowned Catholic university, a proud institution which this season has yet to meet its match on the football field?.

*

AS WE GO TO PRESS FORMER KING CAROL of Rumania is scheduled to address the people of the United States by radio. That is five minutes too long, but we trust the American people enough to assume that they will be able to listen to a king without harm. Carol's radio appearance is no doubt part of his new plan to sell himself to the public—as a democrat—with the expert help of a high-powered public relations firm, Russell Birdwell and Associates, which he has retained at a reported fee of $35,000 a year. Carol's objectives are crystal clear. He would like to drop the "former" which now precedes his name. He would also like to obtain the right to control some $80,000,000 of Rumanian funds now frozen in this country. That would certainly be worth a measly $35,000. We look with skepticism, both political and commercial, on the prospects of King Carol. Meanwhile we think our readers might be amused to know that the familiar term applied by a public relations man to his client is "bum."

The Showdown on Prices

WITHIN a comparatively few days final decisions will have to be reached on three controversies, decisions that will go far to determine our success or failure in checking inflation in World War II. The first of these decisions must be made within the Administration; the other two by Congress. For some time now Mr. Ickes and the OPA have been at odds over the extent to which the price of coal should be increased to compensate the owners for the higher wages provided in the new agreement negotiated with John L. Lewis. Mr. Ickes insists that a substantial price increase is necessary in order to assure greater coal production. But the OPA has strongly opposed the principle of linking price increases to wage agreements, pointing out that the net effect of such an arrangement is to divert labor's support from the stabilization program by enlisting specific groups of workers in the drive for specific price boosts. Should such a practice become general, all possibility of holding the line on prices and wages would quickly disappear, and a disastrous process of inflation would swiftly develop.

An equally serious threat to the stabilization program is contained in the bill now before Congress to grant the 1,100,000 members of the non-operating railway workers' unions an 8-cents-an-hour wage increase against the recommendation of the Director of Economic Stabilization, Fred M. Vinson. As Mr. Vinson pointed out in his letter to a subcommittee of the Senate Interstate Commerce Committee, passage of the bill would mean the breaking of the "Little Steel" formula by Congress itself, thus making it impossible for the Administration to hold to the formula in dealing with the demands of other labor groups. Such action could not fail to be fatal, since the C. I. O. and the U. M. W. have already come out for scrapping the formula, and Lewis's union is now directing its fire against the War Labor Board itself.

Efforts to hold the line on the wage front must be considered in relation to the struggle now under way in Congress over the use of subsidies to bring the cost of living down to the level at which wages have been stabilized. The prospects of a complete Administration victory in that struggle are not bright as we go to press. Nevertheless, there is still a possibility that the sequence of events of last spring will be repeated, and that the President, by vetoing the bill for extending the Commodity Credit Corporation with its rider prohibiting food subsidies, may force Congress to provide some funds for a continuation of subsidies. Failure to obtain these funds would not only mean a collapse of the roll-back program but would result in an immediate advance of 3 per cent in living costs and a 7 per cent increase in food prices. Already many of the items in the average housewife's market basket are held at a low price by subsidies. Elimination of these subsidies would induce one of the sharpest price rises in the country's history and would almost certainly provoke an overwhelming demand for wage increases by both organized and unorganized workers.

In resisting this powerful three-front attack on the stabilization program, Mr. Vinson and the OPA are unquestionably holding the fort for the American people as a whole. But it is a fight in which they have received little active support against a politically powerful opposition. It is obvious from a reading of most newspapers that a vigorous and presumably well-financed campaign is under way to discredit and destroy the OPA and the entire stabilization program. This campaign is not being pushed by those who have suffered most from the war. The millions of white-collar workers, small business men, substandard workers, soldiers' wives, and others who have made the greatest sacrifice are precisely those who have most to lose by a further inflation. The elements that are seeking to break down the defenses against inflation—the large farmers, the food industry, the coal operators, railway employees, and a few other highly organized labor groups—are on the other hand, among those that have gained most, relatively speaking, as a result of the war. It is an uneven struggle, but there is still a fighting chance of holding the line if some of the millions of people whose future is in peril make their voices heard in Washington.

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Unfinished Business

BY FREDA KIRCHWEY

IT IS natural that the first enthusiastic welcome of the Moscow agreement should have been followed by a barrage of questions and the open expression of doubts. For Moscow was only a beginning. It brought together the three greatest Allied powers—with China drawn in on the question of post-war security—and established machinery for continued consultation and planning. It resulted in a few definite political proposals. But it left much unfinished business and it posed more problems than it solved.

These gaps now tend to loom larger than the solid underpinnings of unity. Ten Catholic bishops, speaking for the Catholic hierarchy in the United States, issued a statement which approved the Moscow declarations as a "step in the right direction" but emphasized the fear "that compromises on the ideals of the Atlantic Charter are in prospect." This obviously referred to the careful omission in the Moscow agreement of any reference to boundaries, including those of Poland, whose future has always been an intimate concern of the Church. European national groups, especially the Allied groups represented by governments-in-exile, are profoundly disturbed by the creation of a European Advisory Council with no continental representatives. France in particular has announced that it will not accept as binding decisions of a council on which it is not represented.

Neither the report made by Mr. Eden to the House of Commons nor Mr. Hull's unprecedented speech before the joint meeting of the Congress nor Marshal Stalin's speech on the twenty-sixth anniversary of the October revolution did much to dispel these worries. All three leaders, necessarily, emphasized the areas of agreement and the increase of confidence established at Moscow. All three ignored, with good reason, the specific complaints of interested groups. Nor did Mr. Hull, in two press conferences devoted to the conference, clear up any major ambiguities. Questioned sharply by newspaper men only a day or two after the appearance of the Catholic bishops' statement, Mr. Hull insisted that the principles of the Atlantic Charter would not in any circumstances be compromised, and pointed to the formula agreed upon for Italy as a model for other "liberated areas." Put under pressure to apply this specifically to the controversial issue of Poland and Finland and the Baltic states, Mr. Hull said that boundary disputes would have to be cleared up after the war and that an exact definition of all liberated areas was not possible at this stage.

The only revealing hints as to the future of Russia's neighbors have come from Russian leaders themselves. Stalin's reference to the Karelo-Finnish Republic and the Lithuanian, Latvian, and Esthonian Republics was obviously a sign—if any new sign were needed—that these areas would be permanently absorbed into the Soviet Union. And the statement by Constantine Oumansky, Russian Ambassador to Mexico, that "we shall have to retrieve 280 miles . . . to reach our frontier with Poland" was a clear announcement that Russia has no intention of relinquishing Eastern Poland.

In the matter of the European Commission, both Mr. Eden and Mr. Hull insisted upon the strictly advisory function of this body, for obvious reasons. They know that any final decisions taken by a commission from which the European nations are excluded could only create resentment and bitter resistance. Even though its functions are limited, the very fact that it represents the three big powers inevitably arouses the fear that Europe is to be divided up and its political problems solved in the interests of this small and overpowering military coalition. In spite of this, it is hard to see how the European commission could have been otherwise constituted. Obviously not all the Allied nations could have been included. And even if some system of selection or rotation had been devised, it is clear as crystal that no genuine expression of European interests is at present possible. A few governments-in-exile, like those of Czechoslovakia and Norway and the French Committee, could doubtless speak accurately in the name of their people. Others, like those of Greece and Poland and Yugoslavia, certainly could not. The present set-up is probably the best we can hope for in the present state of the war and of European political developments; the suspicions that cluster around the commission can be lessened only if it goes out of its way to invite the participation, on specific questions, of the smaller nations.

The problem of boundaries is also insoluble now, although its most controversial aspects are doubtless already solved. In some form or other the Baltic states will be a part of Russia, and so will Eastern Poland and Bessarabia and a slice of Finland. But just where the boundary lines will run, or just what degree of autonomy will be permitted, is unlikely to be decided until the general outlines of the peace take shape. Russia may well make concessions in return for solid assurances of security by its chief allies, but the concessions will not restore to Poland the land it wrenched from Russia—with Allied help—after the last war, or induce the Soviet Government to relinquish its own provisions for security. In spite of Mr. Hull's rather floundering attempt to reassure the Catholic bishops, these are the hard and obvious facts of the case.

Other important pieces of unfinished business, such as the future structure of Germany and the problem of regional federation, must also wait upon events. They could not have been settled in Moscow. The important thing is to have machinery at hand through which to take up each problem as it becomes ripe for solution. This, at least, Moscow provided.

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The Enemy's Full Strength

BY I. F. STONE

Washington, November 17

I HAVE obtained a copy of a "Report on the Strength of the Axis" sent to all members of Congress last week and to a select list of leading industrialists. The report is by Major General George V. Strong, Assistant Chief of Staff and Chief of Military Intelligence. I had some difficulty in learning from the War Department whether or not the report was to be passed on to the public. "It's a touchy subject," one War Department employee said cryptically, and wanted to know where I had obtained it. On learning that I already had a copy, a responsible public-relations officer finally assured me that I was free to quote from it or condense it for publication. I propose to do so in this letter. For if the figures and analyses presented by General Strong are in any large measure correct, we still have a large war ahead of us, and the current wave of optimism which conditions most of our present political struggles is without foundation.

This optimism is in part the result of German propaganda and Soviet victories. But the dominant policy at the War and Navy departments—a belief that the best way to run the war is with plenty of ballyhoo, exaggerating victories and minimizing losses—must also be held responsible. An additional factor is our national temperament, which leads us to promote a war as we would a real-estate boom. The inflation of hopes may be as disastrous in the one case as in the other.

Of course, both War and Navy have their pessimists, and sometimes the same official will be optimistic one day, pessimistic the next. The effect is hardly clarifying. Here are a few salient points of this year's prophetic curve. On January 2 Admiral William F. Halsey, commander of the South Pacific fleet, predicted "complete absolute defeat for the Axis" in 1943. In July Vice-Admiral Frederick J. Horne, vice-chief of naval operations, told a Congressional committee that the war would last "at least until 1949." By October 27, however, Admiral Chester W. Nimitz, commander of the Pacific fleet, was sure that we would "win the war long before the gloomy prediction of 1949."

The War Department likewise seems unable to make up its mind. On October 18 General Henry H. Arnold, commander of the Army Air Forces, held a most optimistic press conference. Allied bombings, he said, were sapping Germany's strength, forcing it to strip Italy of planes and leave "relatively few in Russia"; Germany had lost 10,000 planes in the Mediterranean area and had only 500 available when Italy was invaded. As for the Japanese, they "seem to have their fifth or sixth team in action in the Pacific." But the day after General Arnold's conference a quite different picture was presented at a private meeting of Congressmen addressed by Secretary Stimson, General Marshall, and General Strong. According to General Strong, the Luftwaffe, despite heavy losses, is larger now than it was in 1939.

We owe our knowledge of these private talks to a House "freshman," George E. Outland, a progressive Democrat from California. Outland told me he was so struck by Strong's statement that he asked permission to use some of its facts and figures in a Washington column he writes for the papers in his district. General Strong replied by sending a two-page summary of his private address, which Representative Outland released to the press on November 12. A few days later the War Department sent all members of Congress the full Strong report "with relatively minor deletions for military security."

Two key statements in the Strong report may help us to understand the military realities which made themselves felt at the Moscow conference. "Our optimism for the future," General Strong says, "is based almost entirely on the ability of our Russian allies to keep nearly three-quarters of the German army occupied in the east, and on the ability of American and British aviators to keep up their tremendous raids on Germany's European Fortress." At another point the head of our military intelligence notes, "If all the resources of the United Nations were pooled we would have a definite advantage over Germany in the European theater. However, were it not for the enormous sacrifices of our Russian ally, who is paying a heavy price for her magnificent victories, the odds would be roughly four or five to one against us."

After declaring that we have all been deceived by "highly optimistic publicity regarding relatively minor victories," the General gives a hard-boiled view of the power still at the disposal of our enemies. As against the twenty divisions lost at Stalingrad and the eight lost in North Africa, the Reich this year has raised more than sixty new divisions, each with six hundred machine-guns and three hundred heavier weapons. "That gives you an idea," General Strong says, "of how much German war industry is producing in spite of our aerial offensive." Their weapons include new models of tanks and guns "in some cases equal to and in some cases better than anything which the Allied armies have to place against

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them." One of these is a new rocket gun, weighing less than 1,800 pounds but with fire power equal to six heavy field howitzers weighing nine tons apiece.

Behind this war-production record is a steady increase in man-power. Strong reports that in June, 1939, there were 23,000,000 persons employed in the Reich's essential war industries. Today there are 35,000,000, including an estimated 7,000,000 foreign civilian workers and prisoners of war. Germany's full potential can only be grasped if one considers that it controls a population of 325,000,000, all "contributing at least in some measure to the German war effort." Its position in materials is good. It controls 42,000,000 tons in steel capacity today whereas it had but 25,000,000 tons in 1938. In 1942 its coal production was 186,000,000 tons, and "Axis Europe as a whole produced almost double that amount." Germany is nearly self-sufficient in rubber, thanks to synthetic production, and although there is a shortage of certain types of oil and lubricants, it "has sufficient high-octane gasoline for its air forces." Despite rumors to the contrary, "there is much evidence that the German railroad and transportation network is functioning efficiently and adequately."

Germany's food position, according to General Strong, is better than it was in the last war. The present diet of both the worker in heavy industry and the soldier "is higher in caloric content than it was at the outbreak of the war in 1939." Meat and fat rations, though down, are larger than they were in 1918. "The bread, flour, and cereal rations in 1918," Strong reports, "were less than forty ounces, compared with eighty-two ounces at present. This is a decrease of only two ounces since 1939. The cultivated acreage is only slightly below the pre-war level, and this year's harvest will surpass any crop output since the war started, comparing favorably with the pre-war average." Whatever the conditions in occupied Europe, the Reich itself is far from starving.

The Luftwaffe has become the weakest point of the German forces, "but even this weakness should not be overemphasized." Until July 1 of this year German plane production "more than made up" for losses in combat. During the first six months of this year production was up 25 per cent, and the Germans were building a surplus. Since July losses have exceeded production, "but unless this high attrition rate is maintained, their losses will be quickly recuperated. . . . To prevent that recuperation we must keep up a steady flow of replacements, both of planes and crews, to meet our losses. A slowdown in production or training would be fatal."

General Strong admits that his sketch of German economy "has not taken into consideration the cumulative material and psychological effect of Allied air attacks." He says the bombing of the Ruhr, Hamburg, and Berlin has done "heavy damage." He estimates a 30 per cent decline of production in the Ruhr during May and June—"equivalent to a loss of about 3 per cent of total German output for those months." But the dispersion and decentralization of German industry has made it necessary to extend Allied raids "in order to affect the economic potential to a critical degree."

"We, rather than the Germans," the General says, "have become the victims of our own propaganda about Nazi weakness." He warns that if we fool ourselves and relax too soon we may find ourselves back on the defensive, "our men again fighting gallant but hopeless rearguard actions, outnumbered both as to men and as to guns." These words contrast grimly with the headlines.

The fight against Japan, according to General Strong, has only begun. The Solomons are an outpost of the new Japanese empire, more than 3,000 miles from its heart. There "in fourteen months of bloody jungle warfare American troops have pushed less than two hundred miles north, under the cover of bombers with fighter protection." Strong thinks Japan is in a powerful defensive position. "Japan's geographical isolation is such," he asserts, "that her strong fleet could most advantageously hold the strategical defense but at the same time assume the tactical offensive. So long as the sea routes to the Asiatic mainland are open to Japan, it will be extremely difficult for any nation or combination of nations to defeat the Japanese army in Japan, eastern Siberia, or northern China."

Guarding these sea routes is a fleet which "still dominates the Western Pacific from Kamchatka to the Marshall Islands," despite the fact that it has been weakened "in some important respects by losses in the Southwest Pacific, at Midway, and elsewhere." A chain of airdromes from Japan to Singapore in the west and the Solomons in the east makes it possible "to concentrate air power at any given point in the Southwest Pacific without delay." Interior supply lines give the Japanese a great advantage, and Japan itself "is further guarded from our attack through our lack of access to China."

Man-power is "one of Japan's strongest points in the present war," according to Strong. In Japan itself the number of workers in war industry has risen from 3,000,000 to 9,000,000 since the war began, and there is an ample reservoir of men for military service. There are 2,000,000 men of military age not yet called to the colors; 1,500,000 more between the ages of seventeen and twenty not yet subject to the draft. "If Japan were hard pressed, which she unfortunately is not at present," General Strong reports, "she could probably raise and equip an additional twenty divisions within the next two years. With the inclusion of the more than sixty divisions she now has, this would be a number of combat divisions approaching the planned strength in divisions for the American army, not only for the Asiatic but for the European theater as well."

Japan's industry, unlike Germany's, is not within our

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bombing range. Despite severe losses in aircraft since Pearl Harbor, Strong says it is estimated that Japan has 500 more first-line planes than it had then. In addition, the Japanese "are producing newer and better types of aircraft which are faster, better armed, and apparently more maneuverable than those used at the outbreak of war." Pilot training is keeping pace with production. And while the Japanese soldier has less imagination and initiative than our own troops, "his courage and aggressiveness are beyond question."

There seems little possibility of starving Japan out. Strong estimates that it has enough manganese, tungsten, molybdenum, vanadium, mercury, tin, chrome, and rubber on hand for two or three years, enough high-octane gas for nearly three, and about a year and a half's supply of lubricating oils. Shipping is a weak point, with losses exceeding construction by 60 per cent, "but as Japan is driven progressively into the inner sphere of her defenses, her shipping lanes will become shorter and less vulnerable to Allied action."

There is enough rice for the Japanese—a stockpile of 20 to 25 per cent of normal needs set aside for a bad year. The supply of soy beans and potatoes is adequate, of fish ample: "Do not fool yourselves that the Japanese will be beaten easily if the Germans drop out of the war."

"Our main advantage in the great struggle we face," General Strong says in a concluding appeal, "is our ability to produce weapons. If through unwillingness to face the facts we give up this advantage, if through over-optimism we slow down production and relax our efforts, we may find that our opportunity for victory has escaped us permanently. To insure the accomplishment of our war mission—the decisive defeat of Germany and Japan—we must have not only the whole-hearted, unselfish, single-minded effort of every man, woman, and child in this country, but also the full utilization of every bit of productive power, inventive genius, and executive ability that we possess."

I wish General Strong's sober accounting and solemn warning could be broadcast to every part of our country instead of being confined as it has been to Congressmen and industrialists. The prevailing mood is that Germany is as good as beaten, the defeat of Japan a sideshow that need not interfere with the resumption of business as usual. The Strong report, if given wide publicity, would help dispel these most dangerous illusions.

The Axis: Cornered, Not Licked

BY DONALD W. MITCHELL

[*This article, written before its author had had any opportunity to see General Strong's report, might appear to discount Mr. Stone's warning against over-optimism. But there is no real contradiction, for, as Mr. Mitchell would be the first to agree, his estimate of the situation would be invalidated by failure on the part of the United Nations not only to maintain but to tighten their grip on the still powerful Axis.*—EDITORS THE NATION.]

THE true meaning of the German reverses in the Ukraine has not been appreciated by all observers. The German generals could quite reasonably have expected to stop their retreat at the Dnieper. Their armies had not been greatly reduced by the summer's retreat, they had shortened their communications, and they had reached prepared positions of their own choosing. Moreover, the Red Army, operating at the end of lengthened and hastily prepared supply lines, was certain not to be at its best. That under conditions in every way favorable to the defender the Soviet armies were able to strike at once in such power as to break through stubbornly held defenses and threaten with destruction as many as forty Nazi divisions is the highest testimony to Russian military prowess. The achievement has left many members of the American General Staff literally open-mouthed.

Because for foreign observers the Russian front is still the unknown war, many pertinent questions must remain unanswered. We do not yet know all of the factors which contributed to Soviet victory. German numerical inferiority and shortage of reserves are certain to have played a large part; Nazi communiqués complain repeatedly of the "overwhelming" numbers of the foe. Allied bombings have also inflicted cumulative damage on German power. And the enormous qualitative improvement in the Red Army should not be overlooked. Not only in size but man for man and unit for unit it is now more than a match for the German. We do not know the full extent of German and Russian casualties, but the circumstances of the past year indicate that those of Germany have been the greater.

It is certain that the Russians have not yet struck their heaviest blows. Fresh armies numbering 2,000,000 men are reported to be in training for the winter campaign, and it is doubtful whether Hitler, unless he chooses to strip the west entirely, has anything with which to match them. One may assume that the Russians are now repairing railroad lines, moving up supply bases, and otherwise easing their logistics problem. Hitler, having

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scraped the bottom of his man-power barrel, faces final assaults by fresh armies in both east and west without the necessary reserves.

Some British observers have pointed out that so many German divisions may be cut up by the defeats in the Ukraine that the war will end before spring. However, the desperation of the Nazi political chiefs, the skill with which the earlier retreats have been conducted, and the long distance still remaining between the Red Army and Germany proper make it probable that resistance will continue. Nor can any breakdown of morale be counted on to bring collapse. It is one thing for the individual German to be convinced the war is lost; it is quite another for him to be willing to face certain death in order to bring about an end to hostilities.

It is in the light of rapidly approaching German defeat that the Moscow conference must be viewed. Possibly the most vital single result of the conference was the satisfaction of Russian demands for an invasion of Western Europe. While it is hardly likely that we shall fulfil our earlier promise of a second front in 1943, Anglo-American invasion plans were evidently concrete and formidable enough to meet Stalin's wishes.

Another effect has been the subordination of the Italian front to demands in other fields. The Allies have not played all their cards in this theater of operations. Their invading armies are smaller than the German armies in Italy—though not inferior to the forces directly opposing Clark and Montgomery—and their new bases in Sardinia and Corsica flanking western Italy, like the superior sea and air forces at their disposal, have not found full employment. Progress up the peninsula has proceeded at a snail's pace, with the Germans refusing to commit their reserves in northern Italy until they learn where their foes are likely to make new moves. The slowness of this campaign and the failure to make new landings have been criticized. However, except as a base for air attack, Italy is of but moderate value to the Allies, and their strategy can be justly condemned only if it develops that the forces withheld from the Italian push are not to be better employed elsewhere.

Of far greater importance as a preparation for invasion is the Anglo-American bombing offensive, and despite bad weather and heavier losses it is certain to be intensified. Use of the Italian bases brings more targets within range and hence greater results. The American share of the offensive recently became one-third as compared to one-fifth six months ago. German industry has been well dispersed, with its plants camouflaged and placed in unlikely locations, and therefore raids do not always obtain the results expected. Nevertheless, the attrition of air bombing is probably nearly equal to that which would accompany the opening of a new major front on land. Only two answers, retort in kind and increased defenses, are possible. Germany no longer has the force for a really effective attack on England, but being unable to get at the United States, it has in desperation resumed nuisance raids on London. The second answer is no more adequate, for Allied planes are now turning to the elimination of German aircraft factories, and fighter output has been cut sharply.

While the European theater is the crucial one, recent developments in the Pacific are hardly to be classed as secondary. After two years of waiting and numerous false alarms, an amphibious offensive of genuine importance is under way. In the quality of its leadership and in its employment of combined land, sea, and air forces the campaign in the Southwest Pacific will probably be studied as a classic in years to come. As in the case of any move conducted far from home bases, time and careful preparation were required for the present attack. In fact, its beginnings date back to the final victory on Guadalcanal and MacArthur's move into New Guinea. The tactics employed by MacArthur, compelled to fight against superior numbers with almost no reserves to replace losses, should alone insure him a place among our greatest generals. By the use of superior air power each Japanese base—Milne Bay, Buna, Gona, Salamaua, Lae, and Finschhafen—was first isolated and then conquered by American and Australian troops.

The key to attack of this type is found in command of the air. Though the Japanese could at any step try to reinforce their garrisons and make a showdown fight, American command of the air made any such attempt excessively costly and liable to failure. Our "perfect" victories in the Battle of the Solomons and the Battle of the Bismarck Sea blocked the two most extensive efforts to save shore positions by risking large forces. At every step the Japanese have been forced to choose between abandoning a base or employing large forces to retain it under conditions making success unlikely.

In addition to his truly brilliant air and land tactics MacArthur is to be credited with camouflage of his main objective. Up to the middle of October most of the Allied moves seemed to be directed toward taking the rest of the enemy bases on the north coast of New Guinea. Madang and Wewak were repeatedly pounded from the air. Then, with the Japanese off guard, every available plane was thrown into a very effective saturation attack on Rabaul. Caught completely off balance, the enemy sought to get in reinforcements from Truk and the Indies. But new attacks gave little time for recovery, and ships and planes sent to Rabaul were destroyed in large numbers. Meanwhile, taking advantage of Rabaul's weakened state, and disregarding enemy air bases which had become inoperative, Halsey's men advanced up the Solomons ladder to Mono, Stirling, Choiseul, and Bougainville. A Japanese attempt to interfere with the landing at Empress Augusta Bay found the

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navy thoroughly ready, and in a night battle between equal forces the Japanese were defeated.

The recent fighting has uncovered our greatest single advantage over the Japanese, qualitative superiority. Our planes have chalked up almost unbelievably one-sided victories against the enemy's. They have destroyed warships by the dozen, though our own warships have revealed no such frailty against Japanese planes. Except at Savo Island we have won our naval battles, and the enemy's fixed habit of repeating his tactics has played into our hands. There has been no evidence of lowered Japanese morale or will to fight but plenty that a widening gulf exists as regards technical efficiency.

The present offensive is merely a preliminary step in the Pacific war, made possible by our growing naval and air strength. It probably aims far beyond Rabaul and will seek to gain island positions flanking enemy communications to the south. Many and long are the steps ahead. But the present attack is the greatest that Japan has so far faced. At last reconquest has begun.

Diary of the Future

BY VERNON BARTLETT

IV. British Political Tensions

[*This is the fourth instalment of "a cautionary tale . . . a rash attempt to write history before it has happened," by a distinguished British journalist and member of Parliament. The previous instalment, which appeared on November 13, took the author to Allied-occupied Berlin five weeks after Germany's collapse. The next will describe the opening of the Peace Conference in Washington.*]

AUGUST 12. Flew down to Munich for the day to see John Wheeler-Bennett, who is doing a job there for one of the more mysterious of the inter-Allied commissions. He was encouraging about the growth of the separatist movement in Bavaria, Baden, and Württemberg. There was a similar movement after the last war, and it was developing well until M. Dard, French Minister in Munich, heard of it and began to subsidize it, or try to do so—the men I knew in it at the time would never have taken money from a Frenchman. Once it was thus made suspect, no patriotic German would have anything to do with it. And yet, had the three southern states broken away from Prussia, you would have had two great German-language powers with roughly equal-sized populations—a northern and mainly Protestant one, controlled by Prussia, and a southern and mainly Catholic one, controlled by Austria.

John tells me the Bavarian forests and mountains are still so crowded with bandits that the roads through them are very unsafe even by day. Some of these men are soldiers who refuse to accept the surrender and shoot our fellows whenever they have a chance. Some are Nazis, Black Shirts and Brown Shirts, who are too frightened of the vengeance of their compatriots to venture back to their homes. Some are ordinary civilians whose homes have been destroyed. Bands of these men occasionally come up against bands of Czechs or Austrians or Yugoslavs or Greeks who were among Hitler's slave laborers and who are tramping back to their native lands. On some such occasions pitched battles take place, and there are very few survivors. One or two quite prominent Nazi leaders are in the mountains, and hold up the traffic as though they were robber barons.

Am writing this in an army plane on the way back to England. Another passenger is a very pleasant brigadier, name unknown. He produced the obvious, but startling, argument that it is much more important to see that the International Police, whatever form it takes, is strong than that Germany is weak. In other words, we failed last time not because we didn't disarm Germany thoroughly enough but because we didn't introduce *collective* armaments to check aggression and each went our own way.

August 14. Back from Berlin in time to attend an angry debate on demobilization. Every M. P. is getting scores of letters from men urging that, in their special case, demobilization should be speeded up. The Prime Minister, quite rightly, insisted he could make no further concessions, since we still had to defeat Japan and still did not know how large a force we should have to maintain for international police work. I managed to intervene to push forward the claim that this police force should consist almost entirely of highly mobile air-borne divisions, and that there need not be many of them. But the old enemies of the League of Nations are already active against the idea of even a small force.

The real struggle behind the demobilization campaign is, of course, the struggle for or against social security. Several Labor back-benchers pointed out that after the last war men were given a twelve months' out-of-work policy on demobilization, plus an advance of pay, a civilian suit, and twenty-eight days' leave. But that didn't prevent the most terrible chaos during demobilization and such unemployment after the short post-war boom that men were reduced to selling matches. Had the government accepted the Beveridge Report without delay

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or hesitation, men still kept in the forces would at least have the consolation of knowing that they could hardly be reduced to the match-selling status.

People who understand about party politics are convinced we are in for the collapse of the National Government. The people are expecting the immediate fulfilment of promises, precise or implied, made to them in the Atlantic Charter and scores of subsequent speeches; the privileged classes are coming out into the open and saying it would be dangerous to make changes, social or economic, at so critical a time. We must avoid controversy, they say, and apparently it is not controversial to insist that we ought to go on in exactly the same way as our fathers did in a world that is changing at a vertiginous speed. The Labor Party, which has for so long seemed to be moribund, is showing a lot of unexpected fight about all sorts of problems.

Bed early, with a high and sudden temperature.

August 22. Have had five marvelous days by the sea in Cornwall trying to shake off the effects of the very slight touch of Polish influenza I picked up in Berlin or Munich. What must a real attack be like! Fine surf bathing and grand sunshine. Rusty barbed wire all along the beach still, and a lot of soldiers cursing these wonderful surroundings because they want to be demobilized and to get back to work.

Back to London, alas, tomorrow. Political crisis on the horizon. The Preliminary Peace Conference—the European Preliminary Peace Conference—is to be held, rather unexpectedly, in Washington on September 15. The Prime Minister, who is over there now, is said to have agreed to this under great pressure from President Roosevelt, who is increasingly alarmed by the lack of American interest in any overseas problem except that of Japan. He hopes that a conference in the States will help to change this.

August 24. The debate on the composition of the British delegation to Washington has brought the political crisis to a head. When the list of delegates was read out by the Deputy Prime Minister—the Prime Minister being still in Washington—the Labor Party, the Liberals, and the Independents were obviously alarmed by the number of the "old gang" it contained. Shouts and jeers across the House as though there never had been a party truce. The government's refusal to answer any further questions led to bitter party meetings and to the drafting of a Labor resolution which, if adopted, will be a vote of censure on the government.

August 27. The Prime Minister flew back to attend Parliament. Made a moving speech on the gravity of a decision at this moment to end the all-party coalition government, but many of the Conservatives on the benches behind him were obviously anxious the coalition should end. They have everything to gain by it since they will not then have to share the praise for winning the war. On the other hand, members of the Labor Party who have wanted to end the truce for eighteen months or so are not anxious to share the blame for the kind of peace they fear the government will make.

Criticism concentrated on three points: the sense of social insecurity, intensified by the demobilization muddle and the threatened coal strike; the lack of a vigorous and constructive peace policy; the composition of the peace delegation. On the last point the Prime Minister was accommodating, and agreed to strengthen Labor and Liberal representation, but that didn't satisfy the rank and file of the Labor Party, who have seen how little their official representatives are able to make their desires known, or, at any rate, accepted.

At one time it seemed certain the government would be defeated. But once again the sense of international urgency kept a number of us from voting against it. All the same, it might have been wiser to get the fight settled one way or another. As the matter was left, the progressive wing of the peace delegation will be strengthened, but the government can count on so small a majority in Parliament that it will lack decision and energy in Washington. And never was it more important that Britain's voice should be strong.

August 28. The Relief and Rehabilitation Administration has again been attacked in Congress, and I am told that the Administrator is threatening to resign. Raymond Gram Swing, broadcasting last night, explained how the publicity campaign against the dispatch of food to Europe was being organized as efficiently as the campaign conducted years ago against the Disarmament Conference in Geneva. It is so difficult for Americans to realize that they haven't got unlimited food supplies, and that much of their own shortages come from the fact that thousands of farm workers have gone into war factories, where, earning far more than before, they also eat more.

The Peace Conference is also being bitterly attacked, even before its work begins. With obvious reluctance Swing quoted from an editorial in the Chicago *Tribune.* The American people, it asserted, were too busy dealing with the Japs to want to welcome these so-called peacemakers and busybodies from a small, decadent, and quarrelsome continent called Europe. The paper added that after the last war American troops remained in Germany until 1923, but that they would not remain one year, let alone five years, after *this* war. Knowing Raymond, I don't think he would have quoted from that article unless he had considered that it represented the views of quite an important number of people.

September 2. Have had two terribly moving days in Paris. The city is swept by every kind of emotion, of

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which the most depressing is the bitterness against the Americans. At every meeting I have had with De Gaulle, since the first one at the French front in 1940, I found it a little difficult to keep my temper. Despite a rather disarming and diffident smile, which suggested he wasn't quite sure of himself, he has been so dogmatic (the Italians have a word for it: *prepotente*) that it has been impossible to argue with him. I therefore had underestimated the extent to which people in France under the occupation had come to look upon him as the symbol of resistance. He has become, to an extraordinary extent, a national hero, and the campaign waged against him by the State Department has raised his pedestal by several feet. Many people in Washington and some in London had failed to appreciate that his affronts, his bad temper, his general troublesomeness would be approved by the French as evidence that their country was reasserting itself, that France still counted.

This has meant that, both by their dealings with Darlan and other men of Vichy and by their obvious dislike of De Gaulle, the Americans have entirely lost the traditional good-will of France. There was a good deal of feeling against the British as well when it became known that a British destroyer had saved Marshal Pétain. Again, I hadn't realized how, during the last year, the ordinary people of France had come to hate and despise that old man. But since the storming of the Cherche-Midi prison their anti-British feeling has diminished, for they would not have wanted him to suffer the same fate as Laval, Doriot, and Déat.

It was this storming of the prison that brought me over to Paris for my paper. The whole business was a kind of throw-back to the French Revolution. A students' demonstration on the Boulevard St. Michel started it. The prison is only about a mile away, and somebody suggested the attack on it. The crowd, armed with bricks, broomsticks, pokers, and so on, grew to a terrific size, and the French police and troops did not intervene. Prison officials handed Laval and the others over without protest and they were hanged from the electric-light standards on the Rue du Cherche-Midi. Nine men died in this way, including one who was not a political prisoner at all but was hanged by mistake.

One of the Quaker ambulance drivers took me up to the Gare de l'Est to see the arrival of a prisoners-of-war train. It was heart-breaking, and I invented an excuse to get away a few minutes after the train came in. Although these trains are naturally given the highest priority, it had taken nearly three days to come from Berlin; there is still such congestion and disorganization on the railways. Many of the war prisoners were cripples, but they were less pathetic than those others who had been consistently overworked and underfed since they were captured in 1940.

The saddest part of the whole business was the quietness. The French are supposed to be noisy and demonstrative, and these soldiers had been separated from their families for years. In most cases there was very little sound, and not much sign, of joy about the reunions: men and women were too weak and tired, the small children hardly remembered their fathers, and there were very few young men or girls, since most of them are still somewhere in Germany. As yet there are no trains to spare for them; they have to get back to France on foot.

50 Years Ago in "The Nation"

THE LAST LEGISLATURE of Michigan passed a law which attempted to confer upon women the right to vote in municipal elections. . . . The Supreme Court rendered a decision last week declaring the law unconstitutional and void, on the ground that the constitution of Michigan does not extend the franchise to women, and that the legislature cannot confer the right by statute, an amendment of the constitution being the only lawful way to accomplish the result. Constitutional amendments providing for woman suffrage are, in fact, now pending in two Western states—Colorado and Kansas.—*November 2, 1893.*

AN INTERNATIONAL CONGRESS against immoral literature—probably the first of its kind—was held at Lausanne, September 12 to 14. . . . There is, of course a general agreement about the flagrant forms of obscene literature, which carry their grossness and their evil purpose on their face. . . . To execute a law which would be effective against the elusive forms of immoral literature without being an instrument of tyranny would require, in the authorities set for its interpretation and enforcement, a critical and aesthetic faculty and a moral sense such as the world has never yet seen in officialdom, or out of it, for that matter.—*November 2, 1893.*

THE CURRENT OPINION is that the logical candidate of the Republicans for the Presidency in 1896 is William McKinley. This is our opinion also. The Republican Party believes in protection. Formerly it believed in protection only for infant industries. Now it believes in protecting aged ones as well, and this it learned from McKinley. Formerly it believed in moderate protection; now it believes in extreme protection. This, too, it learned from McKinley. Formerly it believed in protection for a time; now it believes in protection for eternity. This, too, it learned from McKinley.—*November 16, 1893.*

"PLATO AND PLATONISM: A Series of Lectures." By Walter Pater. Macmillan & Co. . . . To Mr. Pater, in an eminent degree, philosophy is a spirit to live with, not a piece of property to lay upon one's shelf.—*November 30, 1893.*

AMONG THE VARIOUS PLANS on foot for increasing the national revenue, an income tax has been advocated by an influential group of Democratic politicians.—*November 30, 1893.*

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Oscar Ameringer Never Weakened

BY McALISTER COLEMAN

WHEN word of the death of Oscar Ameringer came to the little colony of white and colored cotton workers which Ameringer founded in the Delta country of Louisiana in the depression years, there was grieving for the passing of the group's great-hearted leader. In the coal pits of Illinois old heads bowed lower when they learned that "Adam Coal-digger," whose writings they had followed for years in their union paper, would speak no more of the brave and wise and humorous words that had cheered them through recurrent crises. In New York veteran Socialists, remembering when Ameringer came out of the Midwest to join with them in organizing the garment workers, mourned the loss of one of the outstanding pioneers of the party. And all across the continent, on remote farms and in small towns and in great cities, fighters for the under-dog knew that a doughty comrade-in-arms had fallen in the struggle.

Literally in the struggle, for Oscar's death at Oklahoma City on November 6 can be attributed to his trip last year to the Louisiana colony, where he hoped to set up for the Negro workers a school as well-equipped as the Eva Frank Schoolhouse, built under Ameringer's direction, for the whites. He was suffering from heart trouble when, against the advice of his doctor, he made the long trip to the Delta. As was his custom, he lived in cheap hotels, took no heed of his diet, worked furiously over his plans—at anything but union hours. He was more dead than alive when his gallant wife, Freda, the daughter of Dan Hogan of Socialist fame, drove down to bring him home, but a stay at the Community Hospital at Elk City, Oklahoma, the cooperative started by his friend and comrade Dr. Michael Shadid, gave him a new lease on life.

Now he was full of plans again. Each day for a little time they let him sit in the sun that made the autumn flowers glow along the garden wall back of his comfortable Oklahoma City home. There he worked over the material for his projected history of modern Europe, to be written in the style of his "Life and Deeds of Uncle Sam," for years a best-selling Socialist pamphlet. He planned to resume his contributions to the *Progressive*, with which after Pearl Harbor his weekly, the *American Guardian*, had merged. Perhaps he would go back to painting again, and there was always his music. And then his heart stopped beating, and in America, the America of grass roots and quarter-sections and mean side streets, of coal diggers, share-croppers, and steel workers, a strong light went out.

To this America Oscar had come as a stripling from his native Bavaria in 1886. His mother was a peasant woman, his father a cabinet-maker, as austere as the mother was tender. The boy's childhood was an unhappy one. He was in early rebellion against authority, hating with equal intensity the Prussian drill sergeants on maneuvers near his little village and the sadistic teachers in the parochial schools. In his autobiography, "If You Don't Weaken," published shortly before Pearl Harbor, he writes of the days of his youth with a grimness tempered with humor and indicates plainly enough how the sensitive artist was transformed into a social rebel.

As soon as he arrived in this country he went to the Midwest, "the Valley of Democracy," joined the mystical Knights of Labor, worked at his trade of cabinet-maker enough to meet his modest wants, haunted the public libraries and read the biographies of our Revolutionary leaders, attended trade-union and Socialist meetings, walked on picket lines until he could say with George Bernard Shaw, "Socialism made a man of me."

Soon he was editing trade-union papers and organizing the brewery workers in New Orleans or the musicians' union in the Midwest, always hammering away at his favorite themes—industrial democracy with production for use as its goal, an alliance of farm and factory workers, workers' education, cooperation, all inspired by an indigenous hickory-shirt socialism. In Milwaukee Victor Berger was his teacher as he was also the teacher of Eugene Debs, and when the Milwaukee *Leader* was started, Ameringer became its most eagerly read contributor.

The First World War, with its subsequent reign of terror, first under Postmaster General Burleson and then under the ineffable A. Mitchell Palmer, drove knives into Oscar's heart. He saw his friends and comrades, many of them descendants of the revolutionary refugees of 1848, persecuted and tortured by chauvinist mobs. The *Leader*, deprived of its second-class mailing privileges, somehow carried on, with the letters from subscribers going to Freda Hogan's Milwaukee address, but the fury with which an implacable Administration harassed the Socialists heightened until Berger and Ameringer were indicted on enough counts to send them to jail for a hundred years.

Oscar went down to the Southwest when the indictments against him were quashed, and there headed an organizing campaign among the farmers and railroad men that renewed the pre-war march of that region toward Socialist goals. His Oklahoma *Daily Leader* struck

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fiercely at the Klan. It fought so valiantly for the embattled coal miners that he was given the editorship of the *Illinois Miner*, weekly paper of District 12 of the United Mine Workers of America, the insurgent wing of the union, in those days in headlong opposition to the policies of John L. Lewis. Oscar's "Adam Coaldigger" column in the *Miner* became famous through all the labor world. The paper had a flavor that set it apart from the run of stodgy trade-union organs filled with adulation of the union administration, stock pictures of officials, a mess of dreary boiler-plate. But running the *Miner* was no bed of roses. "Editing a labor paper," cried Oscar, "is like feeding melted butter on the end of a hot awl to an infuriated wildcat."

"The function of a politician," said Oscar in his column, "is to get campaign contributions from the rich and votes from the poor on the ground that he is going to defend one class from the other." "Money is like manure," he decided, echoing Francis Bacon, "no good unless it's spread around." Of two Supreme Court decisions, one favoring the railroads, the other against a child factory worker named Mary, Oscar remarked, "Too bad little Mary wasn't born a railroad."

When in 1930 the Illinois miners finally decided to wage open war on the Lewis regime, Oscar's speech at the Springfield convention of the insurgents was as moving a bit of proletarian oratory as I have ever heard. Even Gene Debs could not have exceeded Oscar that tense afternoon. "The rank and file," he said in his peroration, "is like the grass of the fields. The rains and snows beat upon it; winds and flame devour it; but one day in the early spring there is a secret stirring in the earth and behold the grass has sprung up again—green and very beautiful under a golden sun. So with you, dear brothers. You will rise again even as the grass of the field; though all men's hands be set against you, though you feel yourselves isolated and abandoned, you, the rank and file, will surely rise to spread the green mantle of democracy over this ravished American soil."

Sentimental, faintly absurd, to be comparing these harsh-featured, gnarled men from the pits with the young grass of spring? Certainly it was, yet somehow they understood and loved the speaker and his words, and cheered Oscar until the tears stood in his eyes as he looked out from the platform over his people.

That sort of thing, some latter-day "realistic" labor leader will protest, was all right for its time and place; we have to get down to brass tacks today. Ameringer, who had written of the need for expanding the industrial-union form of organization back in the nineties, using the brewery workers and the miners' unions as models, was among the first laymen to urge that coal be burned in the fields and its energy carried off over high-powered electric transmission lines. He was stirred by the stories coming out of Germany between wars of the work of Friedrich Bergius, the Nobel prize winner, in the hydrogenation of coal, and vainly attempted to set up a Bergius plant in southern Illinois, to be subsidized in part by union funds. Oscar saw in the integration, under government operation and with democratic controls, of electric power, transportation, and coal the ultimate solution of the perennial coal problem. His papers supported the Brophy plan for the nationalization of coal and, later on, the proposals for giant power centers made by Morris L. Cooke and other forward-looking engineers at a time when the mention of either was forbidden in Lewis's *United Mine Workers' Journal*.

Always he believed that the unions, together with consumers' cooperatives and farm organizations like the Farmers' Union, could among them create a new democratic culture for our industrial civilization. One day he walked in on Frank Farrington, the big-framed president of the Illinois Miners and Lewis's most powerful antagonist.

"Frank," asked Oscar, peering at the mine leader over his spectacles, "how many people lived in Athens at the time of Pericles?"

Farrington gazed blankly at his editor.

"Not counting slaves," went on Oscar hurriedly, "just about 350,000 men, women, and children, who made a civilization there that has never been equaled. Now we've got a population of miners and their families of about the same number right here in District 12 . . ."

"What do you want?" asked Farrington resignedly, knowing of old the oblique approach employed by Ameringer when he wanted something for his people. This time it was to have the union subsidize miners' Chautauquas in the summer months when the pits were closed. Oscar would bring to the fields the pick of the entertainment world, a good orchestra, speakers who knew the economic time of day, and technicians to talk of the larger problems of the industry in understandable language. This would be a streamlining of the old Socialist encampments at which Oscar and Walter Mills and Kate O'Hare had spoken and later Oscar and his three sons had played quartets for the farmers from all the quarter-sections. To be sure, nothing came of this proposal, just as nothing has come of Oscar's proposals for the integration of coal with water-power and transportation. But with a few honorable exceptions, what younger labor leader today is offering his membership such an intelligent combination of educational facilities?

Of his many contributions to the labor movement, Ameringer of course will be remembered longest for his precious gift of humor. He was called the "Mark Twain of labor" and later "the workers' Will Rogers." Any analysis of humor is futile, but I would not agree that Oscar's humor was that of the man who in his last years became a protégé of J. P. Morgan's or the wisecracking Oklahoma cowpuncher who showed with pride

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an autographed picture of Andrew W. Mellon addressed to "My good friend, Will Rogers." They tried that once on Oscar: the late Arthur Brisbane, with memories of his father's socialism, took Ameringer up to a high mountain with offers of what seemed a fortune if he would come over to the Hearst papers. Brisbane used to shake a puzzled head over Oscar's indignant refusal.

I would say that of all American humorists Oscar's bosom comrade, the incomparable Art Young, is the man with whom, in his tenderness and pity, his fierce hatred of injustice, hypocrisy, and tyranny, Ameringer can best be compared. For years I dreamed of a book of the pick of Oscar's columns illustrated by Art Young.

How all of us, "the Wise Men of the East," as Oscar derisively called us, as well as the workers, needed that cleansing Aristotelian purge of laughter! When word went around New York that Oscar was in town, we'd gather at the home of Arthur Garfield Hays or Morris Ernst or Evans Clark to make an adoring circle around the veteran editor while he recounted his youthful adventures with the counterfeit quarter (you'll find them in "If You Don't Weaken"; Freda Ameringer has some copies left at the Leader Building, Oklahoma City), the love life of the Reverend King, the founding of the Conservatory of Music at the Texas whistle stop. Heywood Broun would come lumbering in to sit fascinated at Oscar's feet and later to use the counterfeit-quarter theme in several of his columns. Oscar was a born mimic, and he would strut around the room giving us the pious front of the Reverend King about to rob the collection plate for beer money, or the aged John D. Rockefeller "chasing a little white ball around a cow pasture with a shinny-stick."

In his speeches to the workers he had the Shavian trick of stating a conventional platitude—"Capital takes all the risks," "You can't change human nature," "If all the money were divided," etc.—and turning it inside out until his overalled audience rocked with laughter. But he was never merely the clown. Two minutes after he had started on the most fantastic of his tall stories you knew that you were en rapport with a brilliant intelligence brooding over the comedies and tragedies of our common lot and holding up a mirror whose reflections we were to ponder long after the last laugh had died away. Often the tears of laughter would be mingled with those of sudden sorrow when the foremost raconteur of our times had finished.

True, he often compromised on immediate demands, on the Socialist Party "line," on short-time political issues. But never on the fundamentals. Because he did not weaken in his hatred of war and the cruel system that breeds it, in his faith in the ultimate wisdom of the common man, his belief that somehow we can make a new civilization with room in it for mercy and love and laughter, Oscar Ameringer's was a great life.

In the Wind

JAMES LOEB, JR., executive secretary of the Union for Democratic Action, recently received a form letter containing these words: "You can see that *Planning* is edited for the men who control the destinies of American industry. That is why we are offering this weekly news letter on post-war planning to management executives only, and that is why we invite YOU to join."

THE HODGMAN RUBBER COMPANY is mailing synthetic rubber bands to editors with this message: "Here is a typical example of an American development which was made free from political interference."

HENRY G. FLEER (coal, coke, fuel oil, and air transport) now affixes to his letterhead a gold sticker bearing the legend, "Atlantic Educational Foundation—Education for the Masses. Founded 1943 by Henry G. Fleer." This is a sample of the educational material: "Germany will succumb and is now definitely out of the war, although still maintaining a show of force. The European war is over."

AN AMERICAN GENERAL in London tells this one on himself. His staff car, emblazoned with the insignia of his rank and driven by a military chauffeur, had a slight collision with a battered old London taxi. The general got out and berated the cabby at some length, ending with the rhetorical question, "What have you to say for yourself?" The cabby looked the general in the eye and replied, "Pearl 'Arbor to you, sir."

THE CHICAGO TELEPHONE DIRECTORY lists four numbers for McCormick, Robert R., Col.: one for the residence, one for "service," one for "pvt. garage," and one for "pvt. stables." All are located on Roosevelt Road.

FROM AN ACCOUNT of an address by "Otto, archducal heir of all the Hapsburgs," in the Chicago *Tribune:* "There was a tremendous much befurred and feathered crowd. . . . There were a few oustanding features in this long talk. First of all there was no mention of Russia, not a syllable. . . . George of Greece was fully praised. Crown Prince Umberto of Italy also came in for much praise. . . . But when it came to Count Carlo Sforza, who hustled over to Italy to enter the political ring, Otto denounced him in no uncertain way."

FESTUNG EUROPA: Six of the nine bookstores in Bergen, Norway, have been ordered to close in order to free men for the compulsory labor service. . . . Kindergartens throughout Germany now teach children this prayer for grace before meals: "Fold your little hands, bow your little head; think of him who gives us our daily bread. Adolf Hitler is his name; him we as our savior claim." . . . Polish churches now bear signs reading "Poles not admitted."

[*We invite our readers to submit material for In the Wind —either clippings with source and date or stories that can be clearly authenticated. A prize of $5 will be awarded each month for the best item.*—EDITORS THE NATION.]

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The King's Men

BY GAETANO SALVEMINI

ON NOVEMBER 9 the United Press reported that units of anti-Fascist volunteers which were operating in the Naples area under General Giuseppe Pavoni had been disbanded by Badoglio's orders, and that the men would be drafted into a regular Italian army under Antonio Basso, "one of the King's generals." The King's general "handles most dealings concerning relations between the Italians and the Allied authorities." He acts not only as chief of the reorganized military machine but also as "Badoglio's representative" in civilian affairs.

It is probable that the prefect whom Badoglio has chosen to govern civilian affairs in Naples—Enrico Cavaliere—is also under the jurisdiction of the King's general. Signor Cavaliere was prefect of Bari and of Palermo under Mussolini, and he, like other men who are serving in Italy today, certainly cannot be accused of having been a "premature anti-Fascist."

It is safe to say that Badoglio is acting with the full approval of London and Washington. An "Allied Control Mission" has been established to oversee the administration of the Badoglio government. "Victor Emmanuel," said the New York *Times* of October 24, "is the King, but the power behind his throne is the Allied Mission, and as things are shaping now, it is still going to be behind the throne when Victor Emmanuel is again King of Italy in Rome." The King was a rubber stamp for Mussolini. Now he is a rubber stamp for the Control Mission. Orders issued by Badoglio are the orders of the Control Mission.

On October 28 Robert D. Murphy, American Minister in North Africa, and Harold Macmillan, the British Minister, arrived in Naples with Badoglio to confer with prominent Italians about the future of Italy. The Italians declared that the King and his son must abdicate. Mr. Murphy and Mr. Macmillan returned to Algiers to report to their governments. The upshot of their report was soon evident. In the New York *Times* of November 3 the correspondent from Naples stated that "at present, as long as the Allied Military Mission sits at the King's side, he is immune." In fact, on November 3 the King paid a visit to Naples, and the *Herald Tribune* of November 5 described the "ovation" which he received on his tour through the streets. In a city of 900,000 people it is not difficult to gather together two or three hundred plain-clothes policemen to cheer the King lustily while protecting his person from less enthusiastic subjects. But, perhaps, on second thought, the King's reception was not quite as enthusiastic as the first report indicated. By November 10 the *Herald Tribune* correspondent wrote that the King had been pleased "by the lack of any hostile demonstration during his three-day visit to Naples." Whatever the truth, the Associated Press reported after the visit that "through his trip to Naples King Victor Emmanuel III apparently won the first round of his fight to retain his throne—at least temporarily."

The first round was won in London and in Washington, not in Naples. It was won on the day of so-called "unconditional surrender." The second round was won on November 9 in Italy, when the volunteers were disbanded and the control of the King's generals over Italian fighting forces was officially acknowledged. On November 10 the Associated Press made it clear that the Allied Control Mission would "prevent any group under or outside the Italian government from attempting to use troops to gain or retain power within the country."

To help Badoglio in the task of rebuilding the King's army, several Italian generals taken prisoner in Africa are being dispatched to Italy. Other Italian officers may be released after their backgrounds and their will to fight the Germans have been investigated.

In other words, the lives of American boys in Italy are not to be saved by volunteers who want to fight and who may have some conception of the true nature of the struggle against Fascism. They are to be saved by soulless bureaucrats of the old royal army, who, after covering themselves with glory in Ethiopia and Spain, have demonstrated their capacity in the present war. To be sure, the Associated Press has suggested "that Italian manpower will be diverted mainly to the task of rebuilding the country's crippled railways and highways"; so there is little danger that the King's men will turn the other way. One merely wonders how many lives of American boys will be saved by such allies. As for rebuilding railways and highways, no one is less qualified for that kind of work than an army chief. It is a job for civilian experts. But, of course, a general is sure he can do anything. If you ask a general to give birth to a child, he instantly and confidently goes to bed.

All these facts seem to imply that unconditional military surrender last September was coupled with a political deal by which the King and Badoglio were assured of their respective jobs. In return for that pledge, the two men will submit to any kind of indignity. The

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war of Italy against the Germans has definitely become the private business of Mr. Churchill, Mr. Roosevelt, the King, and Badoglio.

One may ask how these events can be reconciled with the solemn declaration issued in Moscow on November 1, according to which the "Foreign Secretaries of the United States, the United Kingdom, and the Soviet Union have established that their three governments are in complete agreement that Allied policy toward Italy must be based upon the fundamental principle that Fascism and all its evil influence and configuration shall be completely destroyed and that the Italian people shall be given every opportunity to establish governmental and other institutions based upon democratic principles."

The answer is that words have lost their meaning not only in London and Washington but also in Moscow. The same solemn declaration told us that "the Foreign Secretaries of the United States and the United Kingdom declare that the action of their governments from the inception of the invasion of Italian territory, in so far as paramount military requirements have permitted, has been based upon this policy." These peculiar words were published on November 2. On the following day the King went to Naples to "enhance his prestige." On November 9 Badoglio—that is to say, the Allied Control Mission—gave orders that no Italian volunteers should be allowed to help save the lives of American boys.

[*A further commentary by Dr. Salvemini will appear in an early issue.*]

White Terror in Paraguay

THE following details about the white terror in Paraguay have been received from the Argentine League for the Rights of Man:

"The information we have received sets forth the alarming condition of the well-known anti-fascist leader Augusto Cañete, who has been imprisoned for several months in an unhealthful cell in the public jail of Asunción. The cell, which has no roof, is flooded when it rains, and the prisoners often have to spend several days in water up to their knees, unable to lie down to sleep. With Cañete is the labor leader Cirilo Aguayo, co-founder of the Latin American Federation of Labor.

"Recently Alfredo Alcorta, student leader and ex-president of the Federation of Secondary Students, was arrested. For three consecutive days he was kept tied to a table and subjected to beatings with rulers, fine chains, and sabers. He is now in danger of losing an eye.

"Also in prison are the young students Arsenio Ibañez, Rafael Quintana, and Victorino Baez, all of whom have been beaten and subjected to electric shocks. Two boys, Julio Díaz and Britos Paris, were nearly asphyxiated.

"Besides these prisoners, many persons are interned in concentration camps in the Chaco area—Fort July Fourth, Ingaví, Isla Poi, Peña Hermosa, and others. They are subjected to forced labor, with insufficient food, and many of the sick lack medical attention."

Wallpaper for a Paperhanger (Designed in Russia)

Drawing by Hoffmeister

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Behind the Enemy Line

BY ARGUS

IF THE Stockholm *Aftontidningen* was as reliably informed as it claimed to be on November 4, a German general for the first time in this war has rebelled. It was only a little rebellion, but—. The rebel was a tank general named Oswald. He seems to have held some command in France. The civil administration demanded that he arrest a number of trouble-makers and have them shot. He refused—in these words, it is alleged: "Soldiers are neither policemen nor murderers." He was discharged from his post by a certain General Heyl, and it is not known what became of him.

On October 27 a jubilee was held in Cracow. The Government General of Poland celebrated its fourth year with great festivities. The Governor General made a speech. He said that Poland was the eastern bulwark of the Reich and that nothing could influence him to act differently. "Despite the opposition and the acts of violence which have occurred in this territory the German leadership will go on as hitherto."

But at the same time he told the Poles of a "magnanimous gesture" to be made by the Germans. A Chopin museum would be opened in Cracow. Even in the midst of a war the German administration concerned itself with culture. The gratitude of the Poles may have been somewhat affected by a slight act of pillage which was coupled with this magnanimous gesture. For the occasion was used to announce that the latest research showed Chopin to be, not a Pole with a mixture of French blood, but the scion of a "German-Alsatian family." The true name of the family was not Chopin but Schoping!

Germans usually announce the death of members of the family by paid notices or obituaries in the newspapers. War deaths are handled in the same way. The newspapers contain pages and pages of such black-bordered announcements. But there are, one might say, two parties represented in these notices. In some the text ends with the formula: "He died for his Führer and the Fatherland." Others are silent about the Führer. This omission of the Führer from the obituaries of the fallen is about the only open political act now possible in Germany.

The Swedish newspaper *Nu* has taken the trouble to engage in some statistical research on this point. It has examined the files of the *Völkische Beobachter* for the last two years and noted the number of death notices with and without mention of the Führer. It found that in the winter of 1941-42, while the victories were continuing, 90 per cent of the obituaries contained the words "He died for the Führer," or something similar. At the beginning of 1942, after the first hard Russian winter, this dropped to 40 per cent. At present the Führer is mentioned in only 20 per cent of the notices.

"Since my last visit to Germany about six weeks ago," reported the correspondent of the Swiss *Nation* on November 4, "the atmosphere of panic among the population has in no way abated." On the contrary, many people, he declared, are demanding peace at any price.

> People sum up their unhappy existence now in such words as, "It would be better to end the war as soon as possible before all our cities are in dust and ashes and Germany is completely ruined"; or, "If all our cities are erased, even the greatest victory will not help us." Whenever the talk is along this line, one hears two expressions used—*Ausradieren* (erase) and *Totale Vernichtung* (total destruction). Interestingly enough, both these phrases were coined by Hitler himself.

The same correspondent makes these observations about German reactions to Russia:

> Whereas formerly the Moscow radio was not so well liked as the London radio, even by workers, increased attention is now being paid to Moscow. As the Russian armies draw nearer to Germany, Russian broadcasts become more important. This does not mean that people who listen to Moscow are Communists. Communism has been too long described to Germans as an invention of the devil. Former German Communist leaders now in London or Moscow have largely lost their political power. Even people who have been bombed out of their homes and who, having lost all, might be expected to have the greatest sympathy with the Communists would prefer an Anglo-American victory. Their attitude is: "Stalin cannot conjure up decent new homes for us, for half of Russia itself must be rebuilt. England and America have gold and raw materials, and it will be to their interest to sell us their surplus products. They would be obliged to see that tolerable conditions prevailed in Germany so that the German people, with the products of their own labor, could buy English and American goods."

All this shows that the mass of the people in Germany are convinced that the war will finally be lost. Confirmation is found in another Swiss paper, the *Aagauer Tagblatt*, which on November 4 carried a dispatch from Vienna about the Nazis there. For a long time they were "bitterly disappointed," but "now they are trying not to lose the chance of participating in the new developments. Such 'reinsurers,' as they are commonly called, are numerous. They seek out former acquaintances, to whom they explain their changed views. And they try to secure their future by doing little services, such as making regular financial payments to the liaison men of resistance organizations or giving warning of impending arrests."

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BOOKS *and the* ARTS

Flow Gently, Sweet Kaftan

AS AMERICANS, fighting for a just cause, we are of course bound to win the war. As the natural heirs of all that Moses, Jesus, Beethoven, Carrie Jacobs Bond, Adam Smith, the Marquis de la Fayette, the Marquis de Sade, Lincoln, Chester A. Arthur, and F. W. Woolworth fought for, we are just as sure—in the popular phrase—to win the peace. Just how, though, is hard to tell, no matter how faithfully you nail your nose to the news behind the news and the flaps of your ears to the *vox humana* of the commentators. Still every so often, a straw in the wind turns up, usually in one's eye, which seems to suggest a good deal. There is, for instance, a picture-article in *Life* for October 18 which may be recommended to your special attention. It would be missing the main point to attack this article. Like much of journalism and most thumbprints it is more profitably amenable to study than to criticism. Its photographs and captions are an accurate, rich, essentially impersonal embodiment of popular moods and meanings far more important, more interesting, and more depressing than a magazine article can, of itself, ever be.

The subject of the article is "Europe's Clothes." The subtitle reads: "The U. S. will dress liberated peoples in outfits that will make them look like Americans." The rest of the article is devoted to specifying just what that will mean. American manufacturers are even now preparing this clothing—which will be distributed by the United Nations Relief and Rehabilitation Committee—for 10,000,000 people of "liberated" Europe. It will be "sold, bartered, or given away in cases of dire need." It "will cost $54,000,000"—an average of $5.40 per subhuman.

There is nothing in this article about what the ill-dressed liberated European man will wear; possibly he is not expected to survive—which might in turn help explain the look of the clothes for women. In any case the article is devoted purely to the prospects for women, young girls, and children. Heaven can wait.

"The dresses and pants and coats," *Life* indicates, "will clothe Europe in America's image." This rather sensational statement is followed neither by "The Star-Spangled Banner" nor by a penitential novena but by: "This will be all right for the hard-pressed Europeans, but it may disappoint some of the post-war American tourists, who, instead of finding quaint garb on the *rues* and *Strasses* and *vias* of the Continent, will find everybody looking just like Main Street."

Now the Europeans who get these clothes will be in no position to care, much, if all they get is potato-sacking; which considerably qualifies one's own right to care. That sort of concern is one of the nastier luxuries. On the other hand we may properly question whether anyone except the recipients has the right not to care. And one more look at those dresses and pants and coats makes the whole question too purely academic to bother about, anyway.

The captions begin, with almost unqualified uniformity, with the word "no." There will be no hem on the dresses. No zipper. No hooks, no snaps, no metal fasteners. No snap. No crackle. No pop. No button openings. No full linings. No squat, no stoop, no grunt. No pockets—a subtle touch. No fitting ("dress is loosely designed to fit a variety of shapes"—all of them, it appears, as unflatteringly as possible). There will be "no frills on kids' clothes"; and there will be "hardly any leather" in the canvas-and-composition shoes which look, at best, like discards from a push-cart mark-down, at worst like smoked alewives.

Half of these clothes are designed for cold climates, half for warm; none, in short, for the north temperate zone in which most of Europe lies. They are "designed to allow for national difference in shape and size." The same styles are used as often as possible for boys and girls. Teen-age girls are to be permitted no dresses; they will wear blouses, skirts, and half-wool, half-rayon sweaters, which were, probably, unconsciously derived from Garbo, the one European derivation, but which, more likely, are given the girls because their busts are not so large, even allowing for national differences in shape and size, as to make the garments a disturbance of the hard-won peace and, of course, because plenty of our very nicest Bennington girls look like models for Peck and Peck.

Barring the sweaters, all these garments are, as *Life* says, American in style; if you can call it style. The pathetic thing is, some of them do have a little. Some designers among all the merry butchers who dreamed up this future evidently had the idea, however blurred, that it might be kind of cute if, at no extra expense of course, these dresses were pretty enough not to break your heart to wear. The best looks like the once-best "basic" dress of a quite poor girl which an even poorer friend with a roughly similar figure has borrowed for a very special date which she knows will be nothing very special. Another, because it is one-piece, is allowed buttons up the back. Still another, an obvious pregnancy-dress, though this is not mentioned—we are not winning this war, after all, for the sake of Europe's birth rate—is a glaring print whipped into "not much of anything"—no buttons, fasteners, or cuffs; all the spare cloth goes for a rainy day. "But," *Life* adds with a brave little smile, "it's pretty." One is compelled to doubt that the writer, the designer, or the presumptive wearer can possibly believe that.

Outside a few rather piteous efforts at either common sense, prettiness, or both, these clothes could only have been designed by persons with a profound hatred for living. And even the attempts are defeated; needlessly so. It is open to question whether anything a machine turns out for direct human use is productive of any human good; but with any care whatever for the product on the part of those who manipulate the machines, it is possible to make fabrics which do not look heartsick, waterlogged, and insulted the minute they leave the loom, and to turn those fabrics into clothes which do not look as if they had been patterned with a meat ax and assembled with awls. These things must surely

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have been made by machines which long ago turned from a long lifetime of accumulated shame over their work to a concentrated, shoddy malignance toward the inferiors who squirt oil at them and the still deeper inferiors who permit them neither rest nor integrity.

It is seldom possible to see so concentrated a lack of heart, kindness, hope, intelligence, adequacy even to a simple job—far less "winning the peace"—as is revealed in these pictures. The famous crying Czech woman who heils Hitler is very free, compared to this—or compared to herself when, by purchase, barter, or the good fortune of dire need, she accepts one of these insults. We may rightly wonder whether, among the discarded sketches which never got into production, there were not a few which had some real life, imagination, charm, kindness at least of visible intention. We may still more pointedly wonder why they were discarded; the wonder must be purely rhetorical. It is easy to imagine that somewhere in the course of this disgrace some half-sensible human being suggested that qualified people from the different nations and regions which were to be clothed be called in, asked for help, put in charge. And it is only too easy to imagine how that suggestion was received. Every honest photograph betrays it: the bottomlessly vindictive contemptuousness of the Victorian benefactor for his victim; the half-explicit, immensely strong implicit desire to degrade and to gain dominion over him; the sleep-walking genius for the details by which dominion and degradation are accomplished; the boundless scorn—and terror and hatred—for the person who even mildly objects. He is, after all, the sort of post-war American tourist who is disappointed because he will not find sheer black mottoed panties, dirndls, and spaghetti skirts on the *rues, Strasses,* and *vias* of the Continent. The very photographs, the very models, brilliantly conspire to disappoint his decadent type, and to reassure every solid American who might fear that we are getting soft with these lousy foreigners who dragged us into their lousy war. The backgrounds and the lighting suggest the Arctic porcelain of cheap hotel washstand china; the poses have the queasy rigor of bodies in contact with such material; the models are either expressing their proper honest wretchedness or have been ordered to wipe off their silly grins, this is serious, and Europeans don't have teeth anyway.

It could be worse, of course. Always there is that joy one may feel in embracing the lesser of two evils. These clothes are, after all, hardly different from the dead average which has for years been fed to the bleaker levels of our own working class—what is bad enough for me is plenty good enough for you—and are, after all, made on the presumption that we will win the war. One shudders to imagine Americans feeling all right if the Japanese were in a position to send us muslin pajamas, pareus, and nostril-bones. But even assuming that we do win the war, and supposing that they had borne out, in any direction, the ideas of sentimentalists of our kidney—or yours—it could have been much worse. They could point proudly to the fact that there are three superfluous square inches of lint in mademoiselle's skirt—costing only an extra .003 per wearer—which creates a swirl in walking and makes all the difference in the post-war world. They might have tried dressing Europeans in the all-American image of what they wear—high heels, spade beard, and opera cloak for Frenchmen, hatboxes and knee-strangling checker skirts for midinettes (or is it bidets?); Chico Marx hats, garlicky kerchiefs, and hand organs for Italians; steel-rimmed glasses, knickers, and edelweiss-tufted homburgs (or is it hofbraus?) for deserving Germans; rhumba pants and black cigarettes, stogies, mantillas, and molar roses for male and female Spaniards, respectively; backscratchers and Liggett's sandals for our little yellow brothers who, despite their embarrassing pigmentation, are bearing up with such wonderful patience until we get ready to shoot a rubber-band-propelled whizbang boy's-club bomber, now and then, across the Pacific.

They might have gone American in Hollywood style. They might have modeled on *Esquire, Harper's Bazaar, Mademoiselle.* They might have sent dungarees, under the impression that a garment so pukka at Bryn Mawr could not but enchant the junior misses of Yugoslavia. Some of the Rational Dress diehards of around 1900 might have got in control. The return-to-religion people might have made the whole Continent look like a combination of an orphanage, a mixed-marriage paradise for those who truly understand one another, and an ad for breakfast food. Really tight-lipped utilitarians might have prescribed coveralls for one and all, with a jingle specially composed by Hindemith—gratis, for the cause—to put the idea over; adding the inducement that they would help reduce the manifold political and economic frictions in post-war-torn Europe. Those with a true and sensitive imagination for the heart of a people might so easily have won through to the throne and bestowed on each nation costumes of that period in which it reached its apogee—bakelite armor, nylon panaches, light-alloy excaliburs, invisible sans-culottes, and so on. If one had the ear of any truly creative force in the State Department one could suggest to him a scheme so much simpler than this slow, sickening murder-by-inches: we could infantilize all Europe overnight with the help of a hundred million snugglebunnies. What one would do with the ear afterward had best not be committed to print in a time when solidarity of purpose is so indispensable to those, at least, whose purposes one despises and dreads; but one is forced to realize, as always, that gloomy as things look, they would be ever so much worse if tyros like ourselves had our way. Democracy grinds slowly, but who wants a worm, anyhow? Or, as ten million grateful Europeans must surely find it in their hearts to say: Don't bite the hand that feeds you; go straight for the throat.

The Poetry of Angelica Balabanoff

TEARS. By Angelica Balabanoff. E. Laub Publishing Company. $2.

ANGELICA BALABANOFF is the well-known Russian Socialist who has been living of recent years in this country. The career of Comrade Balabanoff has involved her in political defeats which have brought also much disillusion in regard to personalities and movements.

She played an energetic and high-hearted role in the cam-

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THE MORAL FRONT

THE BATTLEFIELD of this war is the human spirit. It is there the war will be won or lost. The armies of Nazism will be defeated, but if we are to win the war the ideas of Nazism also must be defeated. And this can be done only by positive, aggressive democratic action.

Modern war is a political act. Those who say, "Win the war first and then we can think about the peace," have missed the point. If their counsel prevails we shall lose the war. That was the essential cause of Woodrow Wilson's failure. He conceived the war in purely military terms, and as a defense of democracy by force of arms, and believed the peace could be arranged at a conference table after the military victory. This time we cannot afford to wait. We must fight on the moral front with as much vigor as on the military front.

ARCHIBALD MacLEISH
distinguished poet and Librarian of Congress, will discuss the moral meaning of the war in the next issue of

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paigns of the Italian Socialists of the period before the First World War, and was a friend and confidante of Mussolini in his early pseudo-Socialist phase; she was a member of the Socialist minority who kept up the Zimmerwald peace movement in Europe in the teeth of the belligerent nations; joined the Bolsheviks in 1917, returned to Russia after the Revolution, and became first secretary of the Comintern. She remained on good terms with Lenin, but was unable to stomach the splintering tactics of the Comintern leaders and the provocative methods of the Cheka, and was eventually eliminated in a way that seems today relatively amiable and mild, at the end of 1921, in the days before critics of the official line were forced to appear at public trials and confess themselves guilty of treason.

She was, however, depressed and ill when she crossed by sea to Sweden; and to fortify herself against seasickness in the midst of a storm that came up she began to recite to herself and to translate into other languages poems that she had learned in her girlhood. Later, as she tells us in her autobiography, "My Life as a Rebel," too ill for political activity and "so weakened by work and undernourishment that I had felt like an old woman at forty-three," she began to compose poetry of her own "in various languages with the greatest facility. I seemed to be overwhelmed, carried away by a flood of rhythm." She wrote poems in all the languages she knew: Russian, German, French, Italian, and English. It was her method of recovering from collapse, and it has proved one of the consolations of her years of disappointment and retirement.

These poems have now been published in a volume which, though hardly a first-rate work of literature, must be unique as a literary curiosity and has its place in the revolutionary record. It is also a symptom of the pressure, in our time, of the need for an international language. We have lost medieval Latin and eighteenth-century French, and have not yet arrived at Basic English; and in the meantime we have to talk all the languages at once, like Marx and Engels in their correspondence, like Joyce in "Finnegans Wake," like Eugene Jolas in his polyglot poetry, and like Angelica Balabanoff in these poems. She developed a habit of writing the same poem in each of her five languages, and these pieces are not translations because there is no original: they are quite distinct treatments of the same theme. They are all written in the same kind of meter, very irregular, a little vague. The author is so completely internationalized that the versions in her native Russian do not even seem much different from or better than the others. She has relatively little sense of the metrical differences of the various languages, and it is hard to tell whether or not she even allows for the metrical value of the silent final *e* in French.

These poems are thus, in many cases, better for the platform than they are to read. Anyone who has heard the author recite them knows what effectiveness she can give them, and their usefulness as perorations before audiences of various nationalities seems to have supplied one of the motives that have impelled her to make so many versions. At any rate, they constitute a document that is worth while to reflect on at this moment. If anyone has been wondering what has become, in this climax of hideous mechanical warfare, spy-

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My Uncle Abraham Reports...

by Ben Hecht

I have an Uncle who is a Ghost.

But, he is no ordinary Ghost like so many dead uncles.

He was elected last April by the Two Million Jews who have been murdered by the Germans to be their World Delegate.

Wherever there are Conferences on how to make the World a Better Place, maybe, my Uncle Abraham appears and sits on the window sill and takes notes.

That's how he happened to be in Moscow a few weeks ago.

My Uncle Abraham sat on the window sill of the Kremlin and listened with great excitement, to one of the Finest Conferences he has ever attended since he has been a World Delegate.

He heard every word that Eden, Molotov and Hull spoke.

Last night my Uncle Abraham was back in a Certain Place where the Two Million murdered Jews met. It is the Jewish Underground. Only Ghosts belong to it.

When the Two Million Souls had assembled, my Uncle Abraham arose and made his report to them as World Delegate.

"Dishonored dead," said my Uncle Abraham. "Fellow Corpses and Ghosts from All Over. Of the Moscow Conference I have this to report. The Conference made a promise that the world was going to punish the Germans for murdering all the different peoples of Europe—Czechs, Greeks, Serbs, Russians, French hostages, Polish officers, Cretan peasants. Only we were not mentioned. In this Conference, which named everyone, only the Jew had no name. He had no face. He was like a hole in Europe on which nobody looked."

A Ghost from the Lime Kilns of Warsaw spoke.

"Why is this?" asked this Ghost, "why is it that we who are dead are without a Name in the Conferences of Fine People?"

"This I do not know," said my Uncle Abraham. "I can only report what exists. Jews do not exist, even when they are dead. In the Kremlin in Moscow, in the White House in Washington, in the Downing Street Building in London where I have sat on the window sills, I have never heard our name. The people who live in those buildings—Stalin, Roosevelt and Churchill —are afraid to speak of us. Why, I don't know. We were not allowed by the Germans to stay alive. We are not allowed by the Four Freedoms to be dead."

A Woman Ghost from the Dynamite Dumps of Odessa spoke.

"If they didn't mention the two milion murdered Jews in the Conference, isn't that bad for four million who are still alive? The Germans will think that when they kill Jews, Stalin, Roosevelt and Churchill pretend nothing is happening."

And from the Two Million Ghosts came a great cry.

"Why is this silence? Why are they afraid to speak of Us?"

My Uncle Abraham raised his hand.

"Little Children," my Uncle Abraham spoke: "Be patient. We will be dead a long time. Yesterday when we were killed we were changed from Nobodies to Nobodies. Today, on our Jewish tomb, there is not the Star of David but an Asterisk. But, who knows, maybe Tomorrow—!"

This ended the meeting of the Jewish Underground.

My Uncle Abraham has gone to the White House in Washington. He is sitting on the window sill two feet away from Mr. Roosevelt. But he has left his notebook behind.

Help prevent 4,000,000 people from becoming Ghosts

There are four million Jews still alive in Europe.
They can be saved. Experts agree on that.
Sweden and Denmark have just proved it by saving 6,000 Jews in a few days.
This Committee considers it a sacred duty to do all humanly possible to save them. Our offices and representatives in Washington and in London, in Palestine and in Turkey, are steadily working in this direction, trying to get large-scale government action. This action will have to express itself in the creation of an Intergovernmental Agency to save the Jewish people of Europe and in declaring the doors of Palestine and other countries under United Nations control open for escaping Jews. For it is now strictly a race for time against death. *Every day that passes dooms thousands who can be saved.*
This Committee is asking the American people for a half million dollars with which it hopes—and believes—results can be secured effecting the rescue of the four million martyred Jews in Europe.
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pervaded police states, and streamlined political pressure groups, of Socialist internationalism, humanitarianism, and intellectual courage—well, here they are in this book. Baffled and driven underground, in the case of Angelica Balabanoff, by fascism, Communist chicanery, and war, they have burst through another outlet into expression. It is a relief at the same time as a surprise to find someone who has never doubted the dignity of the working "masses," and who still wants to educate and lead them rather than manipulate and drive them, who feels pity for their human sufferings instead of contempt for their animal helplessness.

And here you have, also, the present emotions of one who has given her life to the more generous Socialist ideals and has not been discouraged in her loyalty. In one of the most touching of her poems Comrade Balabanoff writes:

J'ai cherché la vérité
Et je l'ai adorée,
C'est à elle que j'ai immolé
Ce que je suis et ce que j'ai été
Et je meurs oubliée . . .
Courbés sous le joug invisible
De leur misère,
Je les vois tous les jours résignés et paisibles
Gravir leur calvaire . . .
Tandis que mon coeur embrasse
Leur souffrance infinie
Il se serre avec une atroce angoisse
Et ne bat plus . . .
Je meurs saluant la mort,
Comme un voyageur arrivé au port
Après une longue traversée
Qu'il n'a ni voulue, ni aimée . . .

EDMUND WILSON

All the King's Horses

THE LEGACY OF NAZISM. By Frank Munk. The Macmillan Company. $2.50.

THE DISPLACEMENT OF POPULATION IN EUROPE. By Eugene Kulischer. The International Labor Office. $1.50.

IN AMERICA a price and profit economy may survive the war with some modifications. In Europe Humpty-Dumpty has not merely fallen off the wall; he has been kicked, beaten, racked, gouged, and eviscerated, and not all the international bankers, economic experts, social workers, and graduates of the army school of civil administration can hope to put him together again.

If anyone has any illusions on this score let him read Dr. Munk's study. He describes it modestly as "a sniping expedition into a large village," but it is in fact a thorough reconnaissance of a huge, complex economic area now in enemy occupation. As a collection of data it is invaluable, even though it might have been improved by more systematic organization, while the opinions it expresses, if sometimes open to debate, are always suggestive.

Dr. Munk does not pay much attention to the actual physical destruction that has been caused by the war. Horrifying as it is, he thinks it may prove to be the most easily remedied of the evils wrought by the New Order in Europe. He points out, however, that bombs and shells are not the only instruments of "disinvestment" at work. Total war with its concentration on the needs of the military machine has meant a progressive deterioration of all forms of capital goods, from pots and pans to railroads. In this country too we are experiencing in a mild form this depreciation of accumulated wealth, but with our immense capacity for production we regard it as almost a blessing since we can look forward to a huge replacement market after the war to keep industry busy. In the less advanced European countries, however, the rebuilding of their modest pre-war stock of capital goods will be a long and painful process.

Even so, this is not one of the major problems created by totalitarianism. Much more difficult to handle will be the institutional changes that have been imposed on Europe in the last ten years. Take, for instance, the tragic movement of peoples back and forth across the Continent in accordance with the exigencies of Nazi economy or "race politics," or both. Dr. Munk devotes a chapter to this subject, which is also reviewed in statistical detail in Dr. Kulischer's monograph. The latter reaches the conclusion that at least 30,000,000 Europeans have been torn from their homes and "transplanted, deported, and dispersed." The repatriation, resettlement, and rehabilitation of this vast army, millions of whom will be suffering from overwork and undernourishment, is an essential preliminary to reconstruction. It is not hard to imagine the burdens it will impose on a broken-down transport system and disorganized food supply.

The psychological shocks suffered by European society have been even more devastating than the physical ones. Treated like animals, men have had to live like animals. "The individual is compelled," writes Dr. Munk, "to live in a twilight zone of amorality, to hide his true feelings, and, above all, to conceal his hatred of the invaders. . . . An understanding of the fact that all nations after the termination of Nazi domination will exhibit an abnormal social psychology is indispensable to any post-war planning." This is one of the many arguments developed in this book against any effort to reconstitute laissez faire economy in Europe after the war. That economy was already undermined before Hitler's advent, for as this book notes, the spirit of enterprise in Europe—and, we may add, not only in Europe—had been largely stifled by business devices to restrict output in the interest of preserving existing property and existing income.

The only hope for Europe is an expansionist economy, and we cannot expect to found that on the basis of a capitalist class steeped in the principles of monopoly. Besides, the capitalist class in Europe has been either bought up or wiped out by the Nazis. Even in Germany itself hundreds of thousands of small business men have been forced into the factories. In Eastern Europe the Jews, who as a class of small entrepreneurs and middlemen played an important part in the economy, have been liquidated. In other countries the Germans have usually gone about their depredations with some show of legality, but the results are much the same. With the aid of the revenues produced from "occupation costs" they have bought control of the key industries. Only those business men who have been willing to collaborate have had much chance to survive. Meanwhile German banks

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have thrust out tentacles in all directions; so that they now control all the financial business of Europe, while the whole Continent is littered with worthless German currency and I. O. U.'s. When the Third Reich collapses, militarily, morally, and economically bankrupt, the new order and the old will vanish together.

A new start cannot be made except on a planned basis. That is Dr. Munk's conclusion, but for his specific proposals I must refer the reader to his book. Here I can only mention his rather disparaging discussion of the many suggestions that have been made for promoting greater political and economic unity in Europe. He sees nationalism as the predominant element in resistance to the Nazis and believes that after the war it will be a stronger force than ever before. Consequently, he argues, any attempt to enforce unity by outside pressure will only heighten the nationalist fever. It is, I fear, undeniable that wounded and infected nationalisms are likely to prove one of the worst legacies of Nazism, but Dr. Munk is perhaps more than a little complacent in his insistence that the disease must be allowed to run its course. The reconstruction of Europe's economy cannot be accomplished in a series of watertight compartments, and planning of the kind advocated by this book will prove still-born unless it is Continental in scope. This does not mean that a United States of Europe is the only solution, but there must be some check on the autarchic tendencies which were so manifest before the war. KEITH HUTCHISON

Charting the Paths of Progress

THE PILLARS OF SECURITY. By Sir William H. Beveridge. The Macmillan Company. $2.50.

CRITICS of the celebrated Beveridge Report who complained that Sir William had taken a too restricted view of social security should be effectively silenced by the present volume. The scope of subjects covered is breath-taking. In addition to summarizing and explaining certain aspects of his report, which he describes as an attack on the giant evil of Want, Sir William devotes considerable attention to each of the other four giants—Disease, Ignorance, Squalor, and Idleness. Other essays are devoted to such diverse topics as reorganizing the British government for total war, the five economic standards adopted by British church leaders, the massacre of the Jews, and the problem of small nations.

It is obviously impossible to summarize Sir William's thoughts on all these matters within the compass of a brief review. But let no one think that in discussing such matters as the conduct of the war or the organization of the peace the author of the "Report on Social Insurance and Allied Services" is getting beyond his depth. Sir William, as an experienced civil servant, has an extraordinary grasp of the basic principles of both political and economic organization. And his vast technical knowledge is brought into sharp focus by a social philosophy which is remarkable for both its clarity and its steadfastness of purpose. This unusual combination of qualities gives a stamp of great authority to his discussion of the diverse subjects covered in this volume.

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posed a comprehensive public medical service, providing free treatment of every kind—dental, ophthalmic, general, specialist, consultant, and nursing. Dealing with the giant Ignorance, Sir William stresses not only the conventional educational reforms—greater equality of education, raising the school age, and the provision of better teaching and equipment—but adult education. "All of us old people," he says, "are very ignorant of many things we ought to know. I believe that adult education *on a greatly extended scale* is almost as important as more education for the young." Four stones are selected for the attack against the "Goliath Squalor." They are: a planned use of land, a sane use of transport, the use of sensible architecture, and a reorganization of the building industry along efficient lines. Sir William's proposals for attacking the giant Idleness are not greatly different from those advanced by our own National Resources Planning Board. He believes the essence of such an attack lies in national planning for full employment. Such planning, he insists, can be carried out in peace as well as in war, and it can be developed without infringement on essential liberties. But it cannot be developed without giving up something—that something being what he describes as "our darling vice of not looking ahead as a nation."

Readers who are looking for a blueprint for a post-war Utopia will not find it in this book. No drastic reorganization of our political, social, or economic structure is proposed. The virtues as well as the limitations of private enterprise are recognized. Sir William's program, if we must label it, is a reformist program. But its sanity and sound humanitarianism should commend it to forward-looking people of all political persuasions. MAXWELL S. STEWART

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DRAMA

IN "The Innocent Voyage" Richard Hughes uses the old device of leading the reader into fantasy along "a bright trail of fact" that seems natural. By the time one arrives at the central situation—that of a group of children on a pirates' ship in 1860—it too seems natural, and the realistic behavior of the characters preserves the illusion. Mr. Hughes's fantasy is a relentless critique of the child as monster, and every element, from the ominous tropic setting to the Victorian manners of the children, is used with great skill and fine psychological understanding to create the atmosphere of a vivid nightmare, in which innocence plays the role of Evil and tough pirates become the pathetic victims of sly, unwitting fiends otherwise known as children.

Paul Osborn's dramatization (Belasco Theater) claims only to be based on the book. The "bright trail of fact" is missing—and I hardly see how it could be accomplished on the stage. More important, he makes many concessions to the view of the child as little darling, and since one such concession would be enough to shatter the sinister spell woven by Mr. Hughes, this version lacks the nightmarish unity of the original. The rich material elements, and the superficial drama, of the book have been taken over; the fearsome spirit has been domesticated and made respectable, but it breaks through often enough—and mainly in the acting of Abby Bonime, who plays the part of Emily—to add spice to what is essentially a spectacle in gay colors bearing the unmistakable, spare-no-expense imprint of the Theater Guild.

Abby Bonime indeed is so nearly true to the original that she and she alone provides the element of the monstrous (the other children, while they are extremely well trained, behave rather than act and are never anything worse than brats). And her acting makes Mr. Osborn's ending, which is quite different from that of Mr. Hughes, surprisingly effective. In the book the child never confesses to the murder of the Dutch captain (who has turned into a Swede for some reason or other) even though she knows that her beloved pirate captain will go to the gallows for her act. In the play she does confess—in a burst of hysteria which makes her story even more unbelievable than it intrinsically is, and just as damning to her friend as silence would have been.

Oscar Homolka as the pirate captain and Herbert Berghof as his mate give performances which make one reflect upon the virtues of a tradition of acting—which scarcely exists any more in this country. And if they produce the effect of being baffled rather than terrorized by their charges it is because the play prescribes it.

The settings and costumes are those of a "period" piece; no attempt has been made to invent a furniture of fantasy. Perhaps this is just as well, though one wonders if a less literal treatment might help to evoke, by a frontal and immediate attack on the visual sense, the primary illusion which Mr. Hughes creates with words. MARGARET MARSHALL

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ART

MARC CHAGALL: Oils and Gouaches, at Pierre Matisse Gallery through November 27. *LIONEL FEININGER:* Oils, Water Colors, Drawings, Etchings, and Woodcuts, at Nierendorf Gallery through November 30. *JACKSON POLLOCK:* Oils, Gouaches, and Drawings, at Art of This Century Gallery through November 27.

CHAGALL'S art turns from the main stream of ambitious contemporary painting to follow its own path. It is pungent, at times powerful, but opens up no vistas beyond itself. Chagall's position, curiously enough, resembles that of Odilon Redon in the late nineteenth century. The present exhibition, composed entirely of work done in 1943, indicates a crisis in the painter's career. He is no longer mellowing in Paris; he is being challenged by events and by the imperatives of his artistic development. The soft, blandishing French tones, the harmonic suffusions, that have characterized his painting in the last fifteen years or more—never enough, however, to submerge his native robustness—are on the way out. Returned is something of the flatter, less tonal brushwork of his earlier period, its harshness too, but all much less crude, being modulated by everything Chagall has since discovered about the orchestration of frank colors. A new yellow plays a role, along with more ambitious or more surrealist subject matter—crucifixions and monsters. Usually when an artist exhausts one phase it takes time and error to assimilate the next. Chagall's two or three new major efforts—major in size and pretension—abound in patches of interesting painting, but none is fused into a complete and organic work of art. The variables of defined form are not related with sufficient visual logic to the murky, indeterminate *fond* that is the constant against which they appear. Yet lack of success in the new is worth any number of successful repetitions of the old. The most achieved picture at the show, the gouache "La Nuit se mêle au jour," happens to repeat Chagall's previous success with royal blue. I would gladly trade it—considerations of size and effort being irrelevant—for the large and unresolved "Crucifixion" with its yellowish malaise.

The Feininger exhibition covers the artist's work from 1911 to 1938. What began as a German marriage of expressionism with cubism evolved after 1915 into a province of Paul Klee's art. Until then Feininger's heavy and obtuse color oppressed his more genuine talent as a draftsman. Klee's influence seems to have lightened and thinned his color and perhaps made him realize that his eyes—like Marin's—conceived instinctively in darks and lights. The best pictures are those altogether in black and white and gray, as the pen-and-ink wash "Feininger am Kai," or those in which the palette is narrowest, such as the water color "The Barque," with its mere black, sky blue, lavender, and white. Feininger always paints with honesty and grace. He is not important in a large sense, but he has a very definite and secure place in contemporary painting.

There are both surprise and fulfilment in Jackson Pollock's not so abstract abstractions. He is the first painter I know of to have got something positive from the muddiness of color that so profoundly characterizes a great deal of American painting. It is the equivalent, even if in a negative, helpless way, of that American chiaroscuro which dominated Melville, Hawthorne, Poe, and has been best translated into painting by Blakelock and Ryder. The mud abounds in Pollock's larger works, and these, though the least consummated, are his most original and ambitious. Being young and full of energy, he takes orders he can't fill. In the large, audacious "Guardians of the Secret" he struggles between two slabs of inscribed mud (Pollock almost always *inscribes* his purer colors); and space tautens but does not burst into a picture; nor is the mud quite transmuted. Both this painting and "Male and Female" (Pollock's titles are pretentious) zigzags between the intensity of the easel picture and the blandness of the mural. The smaller works are much more conclusive: the smallest one of all, "Conflict," and "Wounded Animal," with its chalky incrustation, are among the strongest abstract paintings I have yet seen by an American. Here Pollock's force has just the right amount of space to expand in; whereas in larger format he spends himself in too many directions at once. Pollock has gone through the influences of Miró, Picasso, Mexican painting, and what not, and has come out on the other side at the age of thirty-one, painting mostly with his own brush. In his search for style he is liable to relapse into an influence, but if the times are propitious, it won't be for long.

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RECORDS

NOTHING in the first movement of Beethoven's Quartet Opus 59 No. 3 prepares you for the strangeness, the "remote and frozen anguish" of the second movement; and his Trio Opus 97 ("Archduke") offers another experience of this kind. Though the first movement has its involvements in the development section that bring agitations, urgencies, tensions, as a whole the movement has the calmly, serenely reflective character of its beautiful opening theme—the theme from which is derived the wonderful passage for cello answered by violin in the development (to be heard just before the end of side 1 of the old Cortot-Thibaud-Casals recorded performance, and a little more than halfway on side 2 of the new Victor set). The second movement is the scherzo of the work, unusual only in the spacious and varied treatment of the charming theme of the opening section, with a somewhat ominous middle section that is broken into repeatedly by a wildly boisterous episode. Both of these movements are in line with everything Beethoven has written previously; neither of them contains anything that prepares you for what comes now at the beginning of the slow third movement: the two statements of the piano, echoed by violin and cello, which constitute the theme for a series of variations, and the first communication, as far as I can recall, of what you will get repeatedly from the later works—the sense of experience mastered, suffering endured, profound lessons learned, all-comprehending resignation and inner illumination achieved. This is communicated in the theme, and—after the involvements that follow—with even more overwhelming effect in the last variation, which begins quietly as a restatement of the original theme, but digresses with new wide-ranging and profound implications, and expands into a coda which brings last involvements, final summations, and great conclusions. Then a transitional chord takes you to the finale, which leaves profundity behind for a wistful sort of gaiety.

The new Victor set (949, $5.50) offers a performance of the work by Rubinstein, Heifetz, and Feuermann. This does not stand comparison with the Cortot-Thibaud-Casals performance (discontinued by Victor, but still in the H. M. V. catalogue): it moves swiftly, smoothly, and on the surface, where the old performance is more spaciously reflective and probes more deeply with richer inflection; moreover, in the new performance you hear three virtuoso soloists playing together well, but not the wonderful ensemble team that Cortot, Thibaud, and Casals got to be; and in the new performance, finally, you hear Feuermann, a first-rate cellist and distinguished musician, but not Casals. However, when I heard the new version by itself a year ago (on test records) I found it excellent; and so, I am sure, will you.

The sound of the performance on the records is spacious but not bright; and the strings come off much better than the piano, which is dull and wooden and is often blanketed by the strings. On a Scott 23 with the light, wide-range Brush pickup there are disturbing buzzes and rattles which are much less perceptible when the heavy, limited-range Astatic Trutan pickup is used. And the surfaces of my review copy are a little—on a couple of sides more than a little—noisy.

On a single disc (11-8489, $1) is Lalo's Overture to "Le Roi d'Ys," a fine work by a minor master. The performance by Monteux with the San Francisco Symphony is superb, and its recorded sound has the spaciousness and richness of color that have been heard from Victor's other recent recordings of this orchestra. With the Brush pickup there are a few disturbing buzzes and rattles that are almost imperceptible with the Astatic Trutan.

On another single disc (10-1058, $.75) is the Johann Strauss "Tritsch-Tratsch" Polka, enjoyable as played by the Boston "Pops" Orchestra under Fiedler, and well recorded. The reverse side offers a typically cute "pops" concert number—Lloyd del Castillo's "Cuckoo Clock"—which is also well played and recorded.

A reader, writing to me about Columbia's new recording of the Beethoven Quartet Opus 59 No. 1 (which I expect to review shortly), objects to the use of the Busch Quartet instead of the Budapest, and to the spreading of the performance over eleven sides, as against the ten sides required by previous performances. He noticed the same thing in the case of Columbia's recent recording of Beethoven's Quartet Opus 95. "The old Busch version of this took up four sides. The Budapest records occupy six sides, and for the extra sides and extra money the listener suffers a quite indefensible splitting into two of the last movement." And he wonders why and how artists are persuaded to lend themselves to this sort of thing.

Beethoven's Opus 59 No. 1 is one of the works which the Budapest Quartet recorded for H. M. V. (Victor did not, however, issue it here), and which by the terms of the contract it could not record again for another company. Similar terms in its present contract with Columbia will prevent it from recording for another company the performances of works that Columbia has recorded so badly; and we will get no better recordings of these performances unless Columbia itself decides to do them over again and does them better. In the second place, the Busch Quartet seems to assume that if it plays twice as slowly as anyone else it will produce something twice as profound; and I suspect that this tendency accounts for the eleventh side in Columbia's new set of Oput 59 No. 1. If the Busch Quartet doesn't play too slowly it plays too fast—one example of this being the way it rushed through Opus 95 on four sides; and it is probable that the more spacious performance of the Budapest Quartet required an additional side. Whether it required two more sides I don't know: as the recording is cut the fourth movement would not fit on one side; but there is the question whether Columbia could have cut narrower grooves and got the entire movement on one side. But even if Columbia is innocent in this instance the practice my reader objects to is one which record companies are guilty of; and I know of one instance right now. That brings me to the third point: only a very few artists are powerful enough to exact in their contracts the veto power which enables them to prevent the companies from issuing defective recordings or indulging in otherwise objectionable practices.

The same reader, thanking me for my remarks on the New Friends of Music audience, asks me to "get in a little advance criticism of the behavior of the Y. M. H. A. audiences at the Budapest Quartet concerts. Compared with the Y. M. H. A.-ers the New Friends people are models of listening decorum."

B. H. HAGGIN

Next week in *The Nation*

"Arrival and Departure"
By Arthur Koestler
Reviewed by Diana Trilling

"The Fruits of Fascism"
By Herbert L. Matthews
Reviewed by Paolo Milano

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Letters to the Editors

Where Are Those Idle Savings?

Dear Sirs: George Richmond Walker wrote a most interesting article in *The Nation* for November 6 entitled Tax Idle Savings! He assumed in this article that there is a vast fund of idle savings withheld from investment, so vast, indeed, that if "the tax on it were now in effect, the Treasury could borrow the funds it needs to finance the war without further recourse to banks and without any of the nagging, the parades, or the ballyhoo." In other words, these idle savings amount to billions!

Now Mr. Walker is the man I've been looking for since the panic of 1929 when the theory of "underinvestment" was born. At last I have him. During all these years I have been trying to find out how much of this idle money really existed and who owned it. Certain "old-timers" in the investment business are also very much interested in these funds. Mr. Walker, no doubt, is the man who has the figures or he would not have written his article. Will you ask Mr. Walker to reveal the amount of these funds, where they are hoarded, and, in a general way, who owns them?

OTTO S. MAYER

New York, November 5

Here Are the Figures

Dear Sirs: I cannot provide Mr. Mayer with a list of prospective customers, but—.

What is idle money? If a man works six days a week we regard him as fully employed, but if he works only three days a week he is half employed and half idle. Likewise with money. According to the governors of the Federal Reserve System the average rate of turnover of demand deposits during the period 1920-29 in 100 cities excluding New York was 34.8. In 1942 the rate of turnover had declined to 18.4, and in 1943 the rate has been even lower. This means that if money were working as hard as it was during the '20's our present volume of business transactions could be financed with about 53 per cent of our present money supply. In New York City the rate of turnover has declined from an average of 77.4 during the '20's to 16.3 in 1942. Money has become very lazy in New York.

Again, during the '20's the national income was about three times our money supply. Thus in 1929 currency and demand deposits together totaled about 27 billions and the national income was around 81 billions. At the present time the national income is running at the rate of about 150 billions, which indicates that we need a working money supply of around 50 billions. Actually it is about 84 billions, including government deposits. On this basis our excess money supply is in the neighborhood of 34 billions.

If Mr. Mayer wants further information I refer him to the reports on saving issued by the Securities Exchange Commission and by the Department of Commerce. The Federal Reserve *Bulletin* for October deals with the ownership of bank deposits. The booklet by Professor Slichter on "Present Savings and Post-war Markets" issued by the Harvard *Business Review* may also prove useful.

GEORGE RICHMOND WALKER

Boston, Mass., November 12

An English Trooper Comments

Dear Sirs: Being in the fortunate position of receiving copies of *The Nation* quite regularly from America, I was particularly interested in Reinhold Niebuhr's article entitled England Teaches Its Soldiers, which appeared in your issue of August 21. I myself have been "subjected" to the educational program in the British army for some time.

The first thing I would like to point out to Mr. Niebuhr is that he must not forget that we only started our educational scheme proper some three years ago and that it really didn't get going till the winter of 1942. The first we read about it was in the autumn of 1941; there were notices up saying that correspondence courses in various subjects—from algebra to zoology—could be arranged for us via the War Office, and that books would be put at our disposal. But just at that time, I am afraid, we were too busy in the London docks dealing with the blitz. So it took two years of war before we got going; is not Mr. Niebuhr a bit too hard on the American army authorities?

Last winter we were particularly fortunate; being stationed near one of the Scottish university towns we were given all possible facilities to attend evening classes free of charge and had visitors from the university coming regularly to our camp to give lectures on history, constitutional law, literature, etc. The attendance at the lectures was voluntary, always a sure sign that there is enough genuine interest to keep up a good-sized audience.

Great praise must go to the ABCA (Army Bureau of Current Affairs) people mentioned in your correspondent's article. We have a weekly ABCA period, and this as well as the popular Brains Trust of B. B. C. fame has done wonders to start and stimulate discussions in the army. Our last but one ABCA discussion was on post-war problems, which led to the subject of British agriculture in our last period, and our next one will be about government control—a very topical subject just now, after Churchill's speech in the Commons on the coal situation. All these discussions are led by our sergeant major, whose only function is to set the ball rolling. Whereas discipline is very strict in our unit, there is no distinction of rank in these ABCA talks. And a sergeant major is surely the last person one might think of as urging his men to air their opinions.

Need I state that this goes to show that the army definitely does want us to use our brains? Of course no one can as yet foresee the results of this educational crusade, but it is not likely to be harmful to the community after the war, is it?

TROOPER COLIN BARON

Edgware, England

Teachers and the Public

Dear Sirs: In her discussion of low wages for rural teachers in the Middle West, in *The Nation* of October 23, Alice A. Tollefson committed the conventional error of placing full responsibility for conditions on the incompetence of the teachers.

Indubitably, there are hundreds of poorly prepared teachers whose primary interests are not in the classroom. For the employment of these unqualified men and women as teachers, the blame rests squarely on the shoulders of an apathetic public that is more concerned about "saving" money than having its children properly educated.

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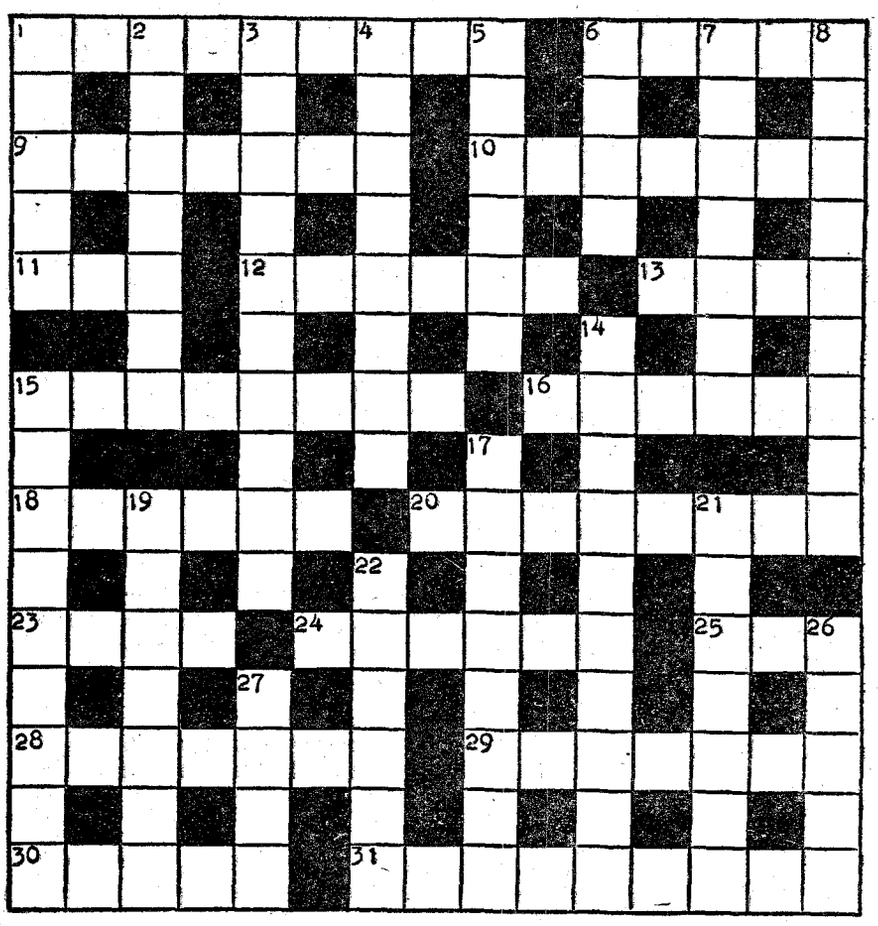
Cross-Word Puzzle No. 40

By JACK BARRETT



ACROSS

1 He is nothing if not parochially-minded
6 It's a fact!
9 Will make things go farther
10 Emphatic type
11 Out of date
12 Bacchanalian revels
13 Catspaw
15 Thoroughly tired out
16 The cowboy finds it useful when he wants to throw a little bull
18 "To the glory that was ------ And the grandeur that was Rome"
20 Easy good-nature, as they say in France
23 Uncommon sense?
24 To get it back in a certain time is really quite an idea
25 Communistic shade
28 The rest (anag.)
29 Sidney Smith found a little of this foodstuff useful in cultivating literature
30 Where good Americans go when they die
31 Spider which gave its name to a dance

DOWN

1 Divinity who is a match for you
2 This is altogether too much!
3 Backward view with a backward sorter starting it
4 Some of your furniture is probably made of it
5 Boots may be, but of course this admits of a denial
6 A backward poet is somewhat dull
7 It requires an excursion to get this North African place going
8 Fake some title or excuse for kissing a girl
14 The nation's capital (looks almost like a thinly-veiled plug for us!)
15 Doesn't make the instrument cease, as it says (two words, 5 and 4)
17 Surely the most valuable adaptation of an iron hook?
19 One of the longest lines in the world
21 A dainty musical item, though it might be more so from the sound of it
22 Stays like this of course, but had it started differently it might have suited an English county
26 The Greeks have a word for this alluvial deposit
27 Sometimes high, but always in season

SOLUTION TO PUZZLE No. 39

ACROSS:—1 IRONSIDE; 5 STUPOR; 10 FREEDOM; 11 ARBUTUS; 12 AGENT; 13 RESPECTED; 14 EXTRA; 16 TREEFROG; 19 BRAKEVAN; 22 AT SEA; 24 BASTINADO; 26 TRAMP; 28 EMITTED; 29 LURCHER; 30 SHERRY; 31 TSARINAS.

DOWN:—1 INFRA-RED; 2 OXEYE; 3 SIDETRACK; 4 DEMERIT; 6 TABLE; 7 POTATIONS; 8 RESEDA; 9 LASSIE; 15 TURNSTILE; 17 FLATTERER; 18 RAMPARTS; 20 VIANDS; 21 NOODLES; 23 OBSESS; 25 INTER; 27 ASHEN.

I well remember, when living in the Middle West some years ago, a member of a rural school board who paid a trainer of his race horses $100 a month, while the teacher of the district school was paid $30 a month for teaching the children.

When public opinion accords to education the dignity which is its due, and pays to teachers a wage that will enable them to live the life of educated, self-respecting human beings, the type of teacher of which your correspondent complains will vanish from the schools.

The public gets exactly the kind of teachers it pays for, and why shouldn't it?

RALPH JOHNSON

Mercer Island, Wash., November 1

Erratum

Dear Sirs: I should like to note the following error in fact which appeared in my article, Unions, Restricted Clientele, in *The Nation* of August 14, 1943, pp. 178-80:

On page 178 I included the Commercial Telegraphers' Union among the American Federation of Labor affiliates which exclude Negroes by a provision in their constitution. I have since learned that the bar to Negro membership was deleted from the constitution of the Commercial Telegraphers' Union in 1935 and that this union now has Negroes in its organization.

HERBERT R. NORTHRUP

Detroit, Mich., November 10

CONTRIBUTORS

DONALD W. MITCHELL, professor of political science at Sam Houston State Teachers College, Texas, is at work on a history of the "new" United States navy since 1883.

McALISTER COLEMAN was for twenty-five years an associate of Oscar Ameringer in labor and Socialist activities. Mr. Coleman's new book, "Men and Coal," is dedicated to "Oscar Ameringer, Stalwart Fighter for 'the Men from the Picks.'"

GAETANO SALVEMINI, formerly professor of history at the University of Florence, is coauthor with George La Piana of "What to Do with Italy."

EDMUND WILSON is author of "The Wound and the Bow: Seven Studies in Literature," and other works of criticism.

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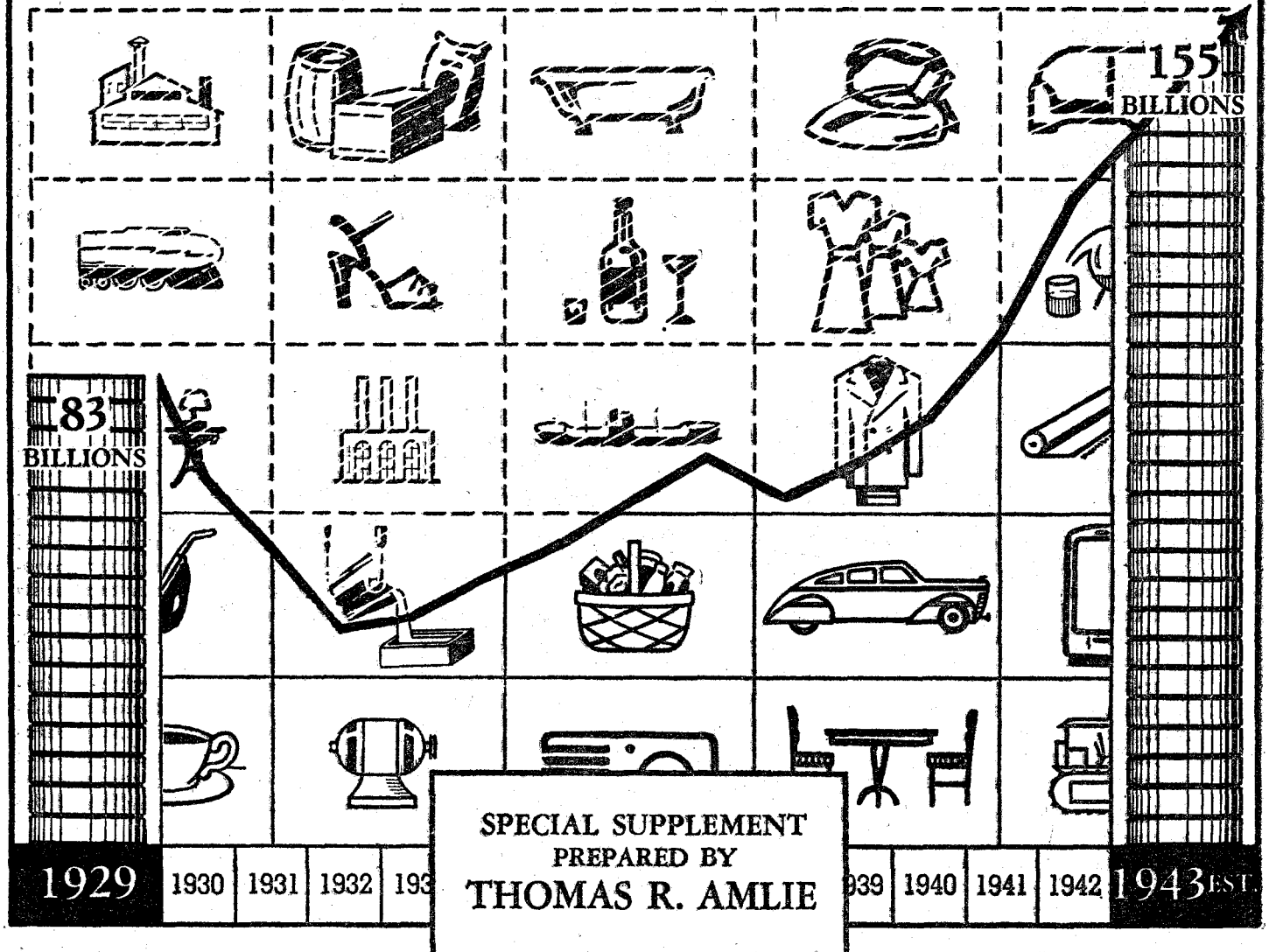
THE Nation

November 27, 1943

LOST ONE TRILLION DOLLARS

IN GOODS AND SERVICES THAT MIGHT HAVE BEEN PRODUCED BETWEEN 1929 AND 1943

We Can Achieve Full Employment
To Prevent Losses After The War



SPECIAL SUPPLEMENT
PREPARED BY
THOMAS R. AMLIE

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Employment

IS THE THING

OUT of the mounting discussion of things to come after the war, one thing appears to tower over all—the problem of employment, of jobs for all.

It is the pivot of all blueprints, the crux of every design for stable peace and reasonable security. It is the least reward America could offer its returning millions of veterans, the minimum of recognition it could give the many other millions who have stood faithfully, loyally on the home front producing fabulous quantities of material for the fighting fronts.

* * *

Industry is already making its post-war terms known. Through velvety or strident voices, depending on which business group is using the microphone, industry plans to "take organized labor down a peg or two." Industry dares not openly attack collective bargaining but it is warring on the closed shop.

Primarily, and there's hardly a secret about it, industry seeks to lower wages. "Why should a free American worker be compelled to join a union to keep his job?" Do away with the closed shop, its argument runs, and production will increase, labor costs will become lower and there'll be more jobs. Big industry is less touchy on the pay envelope subject now, while the war is on, as four-fifths of its payroll comes out of government funds anyway. After the war, industry may use the whip of unemployment to bring down the entire wage structure of the country.

Industry will contend that it could not profitably run its business unless corporate taxes are drastically cut. It will oppose expansion of social security legislation on the plea of economy, and, above all, it will fight for a letdown of government regulation of business. Already, the din of "free enterprise" is filling the air, which in simpler terms means freedom from "interference" by government as well as by labor.

And last but not least, industry will demand the turning over of government-owned plants to private interests—for little more than nothing. Not less than one-third of the industrial plants working at present on war needs in this country were built with government funds.

* * *

The unions will fight against the open-shoppers and the scheme to bring down the national wage structure. The unions know only too well that low wages are no guarantee for more jobs. Wages were pretty low and breadlines were long in the days of the Great Depression. The unions will oppose overnight reduction of corporate taxes. The government will still need huge sums after the war to meet joblessness.

The unions will demand expansion of social security legislation, with unemployment benefits to cover more weeks than heretofore—to help the returned soldiers over the hard times until they get jobs. The unions will oppose the government turning over to private capital its great roster of factories. It is true that the American unions are not particularly enamored with the prospect of government going into business. The unions, however, believe that the government should, through pressure on business and through credits to new industries, help in stimulating new employment sources. The better way, therefore, is not to turn over these plants outright to private capital but to exercise through them a degree of control over private industry with a view to reviving the industries which were especially hit by the war.

* * *

The solution of these problems, on which the future of America literally depends, will be linked, in a large measure, to the outcome of the national elections next year. The demand for post-war economic security will furnish the dynamics with which that contest will be fought out. And economic security means not economic relief but jobs. America with its huge natural resources, its gigantic industrial plant and financial strength, should prove capable, under intelligent and realistic leadership, of furnishing jobs and a livelihood to all its employable citizens—if the government only is able to resist pressures of selfish business interests and reckons primarily with the welfare of the great American masses.

—*From editorial in "Justice," official organ, ILGWU, issue November 1, 1943.*

INTERNATIONAL LADIES' GARMENT WORKERS' UNION

American Federation of Labor

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THE Nation

AMERICA'S LEADING LIBERAL WEEKLY SINCE 1865

Introduction: The Time to Plan

OF THE making of post-war plans there is no end. They are pouring forth in newspapers, magazines, books, and government reports. There are public plans and private plans; city plans, state plans, national plans, international plans. Even the anti-planners are at it, striving to concoct a plan to end all planning.

Nevertheless, in sponsoring yet another post-war economic program *The Nation* makes no apologies, for while a measure of government planning is widely accepted in the abstract, the debate about its objectives and its methods remains red hot. Thomas R. Amlie, who has written this supplement, insists that we can be satisfied with no goal short of full employment, the total utilization of our national capacity to produce wealth for the enjoyment of our people. He is, of course, by no means a lone advocate of such a goal; nor would he claim any patent on the ways and means he proposes for its attainment. The originality of the job he has done lies rather in his examination of the political implications of a plan to promote full employment and his weighing of the forces which oppose and support it.

Mr. Amlie is especially qualified for this task since in addition to being a life-long student of economics he has had many years of practical experience in politics. As a Representative of Wisconsin in Congress for three terms he had abundant opportunity to watch the business lobbies weaving their webs; as an organizer of progressive movements, particularly in the Middle West, he has discovered how much inertia must be overcome, how many entangling bonds of tradition cut, before the common man learns to use his political power in his best interests. And now he sees the coming struggle not in the usual class terms but rather as a contest between big business and the rest of the community. Full employment is a program which should appeal to workers, farmers, and small business men alike, for all these groups would be squeezed dry by a return to the depression of the early thirties or even to the economic stagnation that prevailed immediately before the war. But they will have to forsake their sectional fox holes and combine for a grand assault on the fortress of "unfettered private enterprise" or they will be defeated in detail.

If the leaders of big business were wise they would avoid a fight on this issue by conceding the right and duty of the state to take responsibility for the maintenance of full employment. For if they win after this war, if they succeed in imposing their economic policy on the country, the responsibility becomes theirs. This some among them recognize. Even the *Wall Street Journal,* in commenting on a report of the National Resources Planning Board, has warned:

> In the absence of militant private initiative to avert widespread unemployment, the collectivist philosophy . . . will take charge "to make America over." This newspaper will not presume to say how the forces of private enterprise should prepare to meet the difficulties of the post-war transition. . . . But believers in private initiative must *have* initiative; advocates of private enterprise must *be* enterprising; lovers of personal liberty must accept the risks of its enjoyment.

Seeing the extent to which business is organized on semi-monopoly lines with a view to circumventing initiative outside the charmed circle and to minimizing risks, we may be skeptical about the degree to which it is likely to observe these precepts. But we can at least agree that the survival of private enterprise depends on its ability to deliver the goods. If it can drive the huge productive machine it controls only at half speed it will be ousted by competing forms of economic organization. This is true even though the average American remains a stout individualist, allergic to government controls. For while there is no large demand for socialism in this country, there is an overwhelming insistence on security. And by that is meant not merely a chance to subsist on relief or stave off hunger on a WPA wage but a chance to remain steadily at work and to earn enough to provide a decent standard of living. If this modest ideal be satisfied, there will be no strong urge toward a radical change in the economic system. But if business does not justify its faith by works, if after a brief post-war boom we find fac-

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tories closing down and workless men tramping the streets, then we shall face changes in our economic system far more drastic than anything proposed by Mr. Amlie.

A year or two ago a good many business leaders would have accepted this diagnosis. But now that the political pendulum is apparently swinging in their direction they are showing an increasing tendency to insist on "economic freedom" while rejecting any responsibility for the results. It is becoming fashionable in tory circles to point a finger of scorn at the demand for security and to dismiss the idea of full employment as neither possible nor desirable. Even if we do have five to ten million unemployed, it is suggested, that is not too high a price to pay for the maintenance of "the American way of life."

Meanwhile business, we are told, is doing its own planning. This is all to the good, but we have to recognize that an aggregate of industrial plans does not add up to a national plan. Every corporation can tot up the number of men it is able to employ if working at capacity. But the moment the demand for its product falls, its plan becomes obsolete.

Only the government can influence and control total demand. There are a number of methods which it can employ, but Mr. Amlie has selected two for special emphasis: (a) the placing of a floor under the economy by means of payments to the unemployed of $100 a month subject to certain safeguards; (b) the use of a public-works program to absorb savings for which an outlet cannot be provided by private investment. The first proposal is a safeguard against the kind of catastrophic collapse which we suffered after 1929. Its efficacy has been proved by such countries as Sweden and Britain, which were able to arrest the slump of the early thirties far more rapidly than we did.

A public-works budget may be used as a governor to keep the economic machine running at even speed. Its merits and limitations have been debated at length in recent years, and we need not add at this time to the arguments Mr. Amlie musters for the necessity of public works if full employment is to be obtained. But it may be worth pointing out that if our national income is maintained at anything like its possible maximum, increased socialized consumption will vastly widen the scope of public works. This phrase may sound formidable, but in fact it describes something very familiar, for schools, parks, roads, museums, and libraries are all examples of socialized consumption.

The editors of *The Nation* in sponsoring Mr. Amlie's program do not necessarily indorse all its details. For instance, we feel he has underestimated the importance of stored-up purchasing power in the immediate post-war period. And even allowing for limitations of space, we think he has unduly neglected taxation as a flexible instrument of economic control which can be used to stimulate both consumption and investment. We suspect, also, that he accepts too easily the political obstacles to international investment, which, properly handled, could do much to promote both our prosperity and that of other countries. But with his general position we are in hearty agreement. The combination of idle resources and idle men is one that this country can no longer tolerate. The remedies are known, and we can but hope that their application will not be resisted to the point of proving that the Marxists are right when they contend that full employment and private enterprise are compatible only in time of war.—EDITORS THE NATION.

What Demobilization Day Holds

SOME day, perhaps long before we expect it, the war will end, and the gigantic task of demobilizing our war economy will begin. Millions of Americans are naturally concerned about that day. Shall we throw the same energies into the reorganization of a peace-time economy as we did into the conversion from peace to war? Or shall we relapse into the semi-coma of the 1930's? Will there be jobs for all, or will there be ten or twelve million unemployed? Let us face the situation honestly: a decision on basic policy must be made soon if we are not again to see the tragedy of "too little and too late"—this time on the domestic front.

WHERE ARE THE JOBS COMING FROM?

By July, 1944, it is expected that 11,300,000 men will be in the armed forces and 54,600,000 workers employed in industry and agriculture—a total of 65,900,000. In 1939 we had 44,200,000 workers employed in industry and agriculture, with perhaps 500,000 in war work and the armed forces. Thus a return to the conditions of 1939 would provide no place for 21,200,000 persons. We may assume that 3,000,000 persons, mainly women, will want to give up their jobs when the war is over. Also we shall perhaps keep an additional 2,500,000 men in the armed forces for a period of time after peace is here. This would reduce the number of workers who would be unemployed with the coming of peace to 15,000,000. Optimists in the Department of Labor cut this figure to 12,000,000, and business men believe it may be brought down to 10,000,000.

War workers who can shift to non-war work in the same factory or locality will have a comparatively simple

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problem, but 5,000,000 persons now engaged in shipbuilding, aircraft construction, and ordnance will find it difficult to obtain any kind of work where they are now employed. Self-employed and professional people will have a particularly hard time. In 1939 we had 6,000,000 self-employed as against 3,500,000 at present, a figure that may drop to 3,000,000 in another year. Doctors and dentists will find it easier to gain a livelihood than lawyers, retailers, and members of the service trades. A million people who were formerly self-employed may find it impossible to establish themselves again.

BUSINESS MEN ARE NOT WORRYING

These prospects do not seem to worry business men. A *Fortune* poll of management in October disclosed that 70 per cent of our top-flight business leaders believed there would be a general boom with full employment and either as much competition as before the war or a greater amount. In conversation business men admit that there may be a relapse to pre-war levels of activity after a few years, giving us ten million unemployed, but they consider such a situation quite normal. Recognizing that greater concessions may have to be made to the unemployed than were necessary in the thirties, they say that this is a bridge we need not cross until we come to it.

Such reasoning is dangerous. Fifteen years have produced a great change in people's attitudes. The New Deal program was designed to carry us through a period of "secular stagnation," when a third of the population had to be supported by varying degrees and kinds of relief. After the war from ten to twenty million well-fed and militant workers may find themselves jobless. The average workingman will be in a fighting mood from the minute that he receives his pink slip. A period of living on unemployment compensation will not prepare him to accept the business man's program and point of view. It will cause him, rather, to gravitate to the most advanced economic and political theories and to militant leadership.

THAT POST-WAR BOOM

Most business writers assume that when peace comes the long pent-up demand for goods and services will immediately give us a degree of economic activity equaling that of war time. These writers overlook the probability that hostilities will cease in Europe a year or two before they do in the Pacific, and that we shall therefore be partially reconverting to a peace-time economy while the war against Japan is still being fought. During this period we are likely to maintain a high degree of economic activity through the production of goods for domestic consumption as well as for war, with the result that the most urgent demand for consumer goods will have been met by the end of the war.

The prophets of a post-war boom also place great emphasis on the $64,000,000,000 of potential purchasing power represented by the $21,000,000,000 of war bonds bought by individuals, the $27,000,000,000 on deposit in savings accounts, and the $16,000,000,000 in circulation or in hiding. Their optimism, however, is greater than a careful consideration of the facts warrants. It must be remembered that a great deal of money treated as money on deposit is simply money in war-bond accounts. Most individuals who buy war bonds are thinking in terms of security. If their prospects in the post-war period look uncertain, they are going to keep their bonds, not go out and buy gadgets recklessly. The September issue of the *Survey of Current Business,* published by the United States Department of Commerce, recognized this fact when it declared, "The accumulation of liquid reserves is important, as it affects consumers' decisions as to the spending of current income. In the aggregate it is not a substitute for that income."

In this connection it is significant that $16,000,000,000 of currency is now outstanding instead of the usual $6,000,000,000. According to traditional economic theory, this amount of currency in circulation should be reflected in greater spending and higher prices, but that is not the case. Since the number of safe-deposit boxes rented by banks is decreasing, it looks as if people were hiding currency in their homes. Persons who will do this are likely to hang on to their savings with great tenacity. Moreover, despite the increase in wage rates, working men with families are not finding it easy to save any substantial amounts.

It is also a mistake to assume that there will be a tremendous accumulated demand for consumer goods and services. As a matter of fact, we are producing more consumer goods and services in 1943 than we produced in 1939 or 1940 and roughly the same amount as in 1941 and 1942. Persons who normally have average purchasing power are conscious of a shortage of consumer goods at the present time. Actually, the shortage is primarily due to the fact that for the past year good wages have been earned by some twelve or fifteen million people who had previously been unable to buy anything but the barest necessities. It is true that we are now coming to the point where all available stocks are about used up and that there will be an increasing desire to build up inventories. The demand for automobiles will insure a high degree of activity in the motor-car industry for many years, and the needs of millions of couples starting housekeeping at the same time will stimulate production in many other fields.

Implicit in all the optimistic forecasts made by spokesmen for business is the assumption that when the war ends we shall have a world climate particularly favorable to capitalist enterprise, just as we had after the First World War. At that time the threat of German imperial

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ism had been destroyed, and the United States had emerged from the war in a position of world leadership. No such favorable conditions should be expected after this war. Hardly a week goes by without bringing additional tangible evidence of the impossibility of restoring the status quo in Europe and Asia. While we shall export some capital in the post-war period, there will not be as large an outlet for savings as is anticipated.

A REALISTIC VIEW

The less optimistic writers on post-war problems predict that unless we have a plan for maintaining full employment, we may drop to 1939 employment levels a few years after the war has ended. This is rendered the more probable by the great increase in productivity per man-hour that has taken place during the war and that will undoubtedly be carried over into the peace-time operation of industry. The amount of this increase is not known, but we do know that the physical output of industry has increased 80 per cent since 1939, while the number of persons employed has risen only 18 per cent. A guess, based upon insufficient data, might attribute two-thirds of this increase to the added number of hours worked per day and one-third to improved methods of production. Industrial activity will also be checked by the estimated $50,000,000,000 worth of goods that will be in government inventories when the war ends, half of which will be usable by consumers, agriculture, and industry.

The Program of Big Business

BIG BUSINESS WAGES A "HOLY WAR"

Either political democracy must be the master of economic monopoly or economic monopoly will be the master of political democracy.—HAROLD J. LASKI.

DURING the last few years I have often been reminded of certain movies, with a tropical setting, in which the incessant beating of war drums is used to convey to the victims the idea of inescapable doom. Wherever I turn I hear it said that free enterprise must be restored, that the American way of life must be saved from the bureaucrats. Now that the nation is forced to submit to many restrictions in the effort to mobilize its resources for total war, this cry is rapidly increasing in strength. Every measure designed to keep prices in line is denounced as a move to destroy free enterprise. Even the men charged with carrying out these measures often seem more interested in turning public indignation against New Deal office-holders in Washington than in allaying the indignation by explaining the necessity of the restrictions. A steady stream of propaganda seeks to center attention on the fight to save free enterprise from government bureaucrats rather than on the struggle against our foreign enemies. One gets the impression that the fight for free enterprise is a "holy war."

This holy war is waged not only in the news columns and editorials of papers, the broadcasts and speeches of the servants of economic monopoly operating on the political front, but also in the advertising pages of national publications. A soldier in a fox hole wonders whether he will return to a system of free enterprise. Men bailing out of airplanes with thirty-four seconds to go are anxious that the free-enterprise system be preserved. The idea conveyed in such advertising is that the important fight is not the one the soldier is engaged in but the war at home to save the system of free enterprise from government interference.

The leaders in this holy war did not spring up spontaneously; they have been bought and paid for. The public-information program of the National Association of Manufacturers cost $36,500 in 1934, or 7.2 per cent of its budget. By 1937 this expenditure had risen to $793,043, or 55.1 per cent of the budget. The commercial value of the campaign stimulated by the N. A. M. was probably well over $36,000,000—a sum that is a mere bagatelle compared with what is being spent at the present time to influence public opinion.

More than 50 per cent of the advertising in some of our better-known national magazines is at present inserted by motor companies, airplane companies, and other concerns that are completely engaged in war work and have nothing to sell to the public; they advertise, apparently, merely to keep their names before the public. Since virtually all these companies pay excess-profits taxes, as much as 90 per cent of the money paid for this advertising would normally go into the United States Treasury if it were not used to subsidize the nation's magazines in return for a friendly attitude toward the business point of view.

Of a national expenditure of $245,000,000 for magazine advertising, perhaps $100,000,000 is for institutional advertising of this kind. If none of the companies could advertise, they would be in practically the same position with respect to each other, but the United States Treasury would be a hundred million dollars better off. The daily press, the radio, and other segments of the opinion-forming industries are similarly subsidized.

Money spent to keep the radio servile has produced

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the most gratifying results. One of the large radio networks recently informed its commentators that cartels were not news any more, and instructed them to "lay off" Standard Oil "because they give us plenty of business." It is primarily through the instrumentality of radio that big business has been able to turn many farmers, people in small towns, and members of the armed forces against labor. To understand the effectiveness of this weapon it is almost necessary to stay on a farm or in a small town and to acquire the radio-listening habit of farmers and villagers. I recall that in the fall of 1940 I was shocked by what came over the air. News about some rather unimportant strikes was blown up out of all proportion. One evening I timed a news broadcast by one of the big Chicago stations and found that seven out of eleven minutes of broadcasting time was devoted to strikes. So much time was given to the subject over a period of several weeks that when there was no strike news the radio announcer felt called upon to interpolate, "And now we come to the strike front—there seems to be no news today."

The really important strikes of 1940 and 1941 were the strikes by the managers of big companies who were reluctant to convert to war production till after Pearl Harbor. Their unwillingness to convert and their efforts to perpetuate "business as usual" from the vantage-point of high government office were certainly a hundred times more detrimental to the war effort than the time lost through labor strikes. But no word of the business man's strike ever came over the radio, nor did any intimation of it appear in the great bulk of the nation's press.

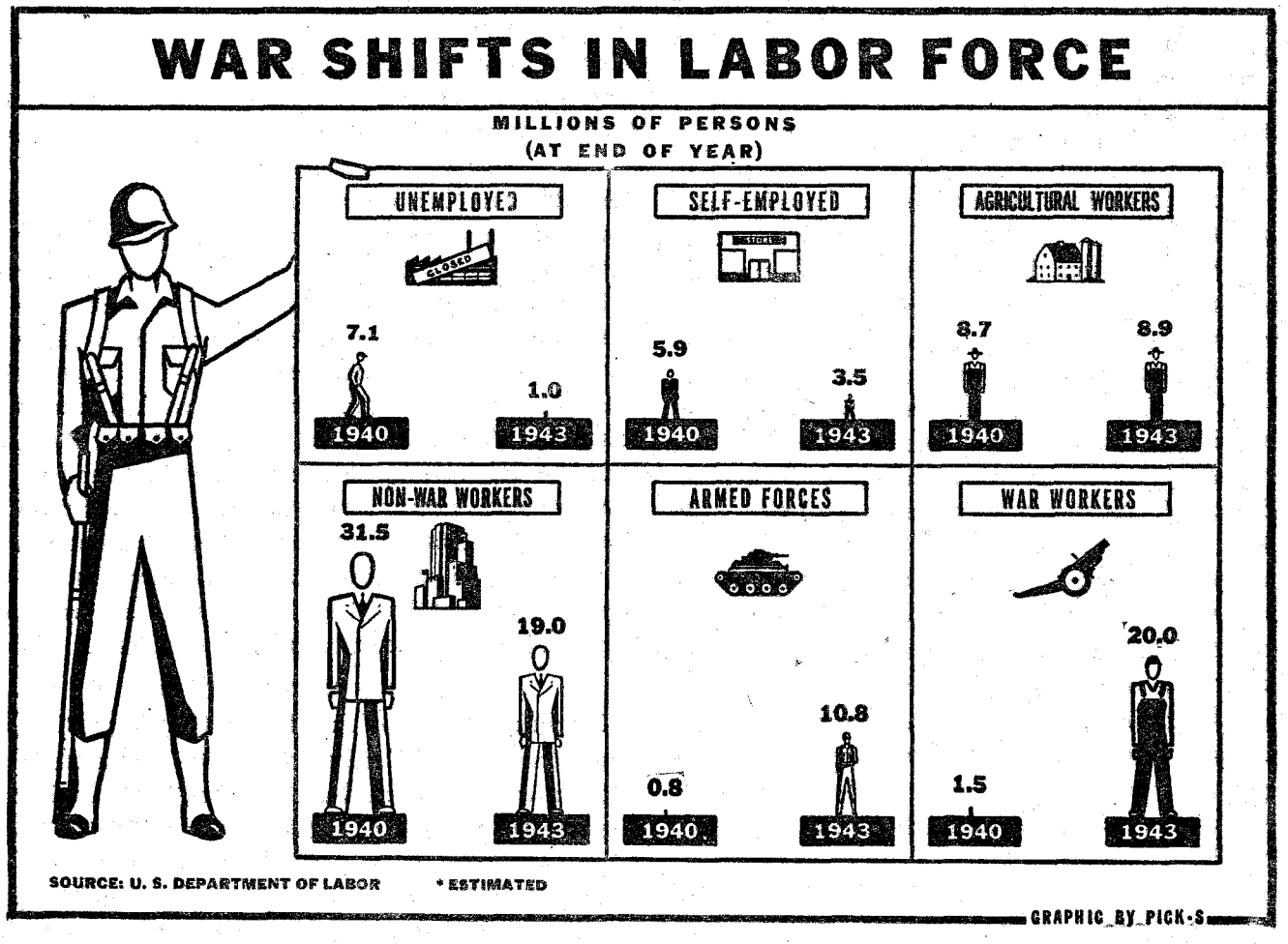
Since so many people in rural areas and in the forces have turned against labor because of its strikes, it is of interest to see just how seriously these strikes have interfered with the war effort. The table that follows gives figures on time lost through strikes as compiled by the Department of Labor:

	Man days lost through strikes	*Proportion of total*
1940	6,700,000	1/12 of 1 per cent
1941	23,000,000	32/100 of 1 " "
1942	4,182,000	5/100 of 1 " "
*1943	7,500,000	16/100 of 1 " "

* First six months; 8/4 due to coal strike.

THE APPEAL TO TRADITION

The forces in society that fight change have a great strategic advantage. Through slogans, clichés, and stereotyped appeals they can call upon deep-seated emotional attitudes that exercise great influence over the minds of men long after they have lost the validity they once had. When the forces of reaction have almost a monopoly of the means of communication, it is extremely difficult to resist their well-organized appeals to tradition. Under such circumstances the optimistic liberal can merely trust in Oscar Ameringer's homely observation that if there are nine wrong ways and one right way, the peo-



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ple will want to try the nine wrong ways first. A man does not become a pessimist until he is ready to believe that the people will insist on trying some of the wrong ways not once but several times.

Let us examine very briefly a few of the ideas that are now being sold to the American people as inherent in the American tradition.

Private Property. Thorstein Veblen once developed at some length the reason for people's deep-seated emotional loyalty to the historical concept of private property. He pointed out that it arose in the Middle Ages when the feudal serf was first permitted to own his tools and the things he made with his own labor and to exchange these things for articles made by other serfs. Because for many hundreds of years men escaped from serfdom only through this right of ownership, they came to feel the fullest loyalty to the institution of private property. In the course of time and change, however, the right of private property came to mean not the right of a workingman to own tools and the things that he made with those tools but the right of absentee stockholders to close down factories and to deny to workingmen access to the means of production whenever the absentee owners thought operation unprofitable. When the United States Chamber of Commerce talks about the constitutional morality of private property, it is not defending the right of a workingman to have access to the machinery of production but rather the right of an owner to sabotage production.

Bureaucracy. The issue in the war at home, as Senator O'Mahoney has pointed out, is not free enterprise versus government control but free enterprise versus monopoly control. By crying "Wolf! wolf!" the economic monopolists are seeking to distract attention from themselves and to turn public indignation against the government. Only through the instrumentality of the government can full employment, with its opportunities for everyone, be achieved. If public sentiment can be turned against government intervention in any form, the only alternative is to hand over the power to economic monopoly.

Risk Capital. During the past decade we became familiar with the institution of innocents' clubs set up to further ideas derived from the political left. Now the political right also realizes the value of the device, and we have the Committee for Economic Development serving as an innocents' club for the National Association of Manufacturers and the United States Chamber of Commerce. Knowing that their own retainers have no standing with serious students of public affairs, the people who ordinarily support these organizations have hired through the C. E. D. scholars with reputations for integrity to convince the American people of the need for giving risk capital larger financial returns as a means of stimulating investment and achieving full employment.

Corporation profits in 1942 amounted to $19,000,000,000 before taxes, twice what they were in 1929, the previous peak year, and four times the average for the pre-war period 1936-39. Nevertheless, we are likely soon to see recommendations from the C. E. D. that necessary investment can best be stimulated by more favorable tax laws for risk capital. The Ruml plan, "forgiving" more than $6,000,000 in income taxes due as of last June, was an indication of this trend.

A Balanced Budget. When the government spent some three billion dollars a year from 1932 to 1941 to keep some twenty million men, women, and children alive, financial writers stressed the danger of an unbalanced budget to a point where it was literally a bogy to frighten children. The same writers today, without realizing the ludicrous spectacle they make, frankly admit that there is little to worry about in a 300-billion-dollar debt and that we can well afford to spend a trillion, or any other sum, if it is necessary to win the war. While the issue of balancing the budget is badly frayed, the American Bankers' Association is trying to have it included in the bill of goods that is being sold to the American people.

Labor Must Be Reasonable. This is, of course, the main point. If we go back to a pre-war level of economic activity, labor must be prepared to take far-reaching wage reductions. Labor can hold its wage gains only under a system of full production. Under such a system labor is not now overpaid. And a national income of $150,000,000,000 or $200,000,000,000 can be maintained only if labor is adequately paid. When business men say labor must be reasonable they mean simply that they expect industry to be operated at a greatly reduced level in the post-war period. But let us examine the realities of the business program a little more closely.

Let Business Stabilize Industry. Bulletin No. 6 of the Post-War Readjustment Series put out by the United States Chamber of Commerce comments that the jerky or lumpy nature of decisions to invest must be corrected by the action of business men themselves. There is in this statement a frank admission that an over-all policy must be adopted. Government is not to be permitted to make this policy. The bulletin states that combined action by industry would be monopoly action and unwise, and that therefore each company must learn to distinguish between solid and staple demand and momentary demand. Of course this is utter nonsense. If the government is not to do the job, then it will be done by the business organizations that represent monopoly capitalism.

THE CHOSEN BATTLEGROUND

The contention of the United States Chamber of Commerce, the N. A. M., and the C. E. D. that private investment is the only sound and moral outlet for savings is more than a slogan or a statement of principle. It is the definition of the battleground upon which big business proposes that this whole issue shall be fought out.

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There is general agreement among the various schools of economic thought that our prosperity depends upon our ability to channel our savings and profits back into consumption or investment. This is very well stated in the Chamber of Commerce's Post-War Bulletin No. 3:

> Students of unemployment and business depression unanimously agree that the essence of depression is *variation* in the rate of real saving or investment. By real saving and investment is meant the conversion of dollars into physical durable goods. . . . There is a wide agreement among economists that any lapse in the rate of real capital formation, unless offset by increases in consumption, must lead to depression and unemployment.

Another bulletin in the same series points out that "in the 1930's we had a shortage of employment offers because there was not sufficient incentive to induce employers to invest and expand." The assumption that runs through all of this literature put out by business is that there is only one proper place for savings to go, and that is into such ventures as private business may be willing to undertake. If conditions are such that private business does not feel like going ahead, then obviously there is nothing for people to do but stay unemployed.

The following terse summation of the program of business is taken from Bulletin No. 3:

> However, this capital will go to work only if there is reasonable prospect of the security of the investment and a fair return. In short, human wants can be satisfied by labor and management only if such a process yields a fair wage to both worker and investor.

After an attempt to condemn the "over-saving" theory as merely an unsubstantiated hypothesis, the argument continues:

> Thus it may be that instead of oversavings occurring in a high-income economy and leading to depression, the problem is to create such a business climate that investments and new commitments will be forthcoming at a steady rate. This, in fact, will probably be the central core of our long-run post-war problem, once the explosive forces of the banked-up demands are met.

There we have the program of American business for the post-war period so simply stated that anyone should be able to see what is involved. Employment depends upon investment, and unless all conditions are entirely satisfactory to the 3 or 4 per cent of the people who own 80 per cent of the wealth in the country, no investments will be made, and that will be too bad. But this difficulty can be avoided if the government will make all conditions for investment so favorable that private capital will be ready and willing to go ahead. The terms that the government is expected to meet are not only difficult but impossible. None the less, big business will spare no efforts to make its own program the nation's.

Flaws in the Business Program

BASIC to big business's hope for post-war expansion is belief in the new frontiers opened by invention. Speaking at St. Louis on October 16, Wendell Willkie pointed out the many opportunities which he felt would present themselves to the ambitious man in the post-war world of free enterprise. "Television, the new automobiles, the new planes, the new houses, the new plastics, the new farm crops—an endless list of new discoveries born of war research cry aloud to be developed."

THE LITTLE FELLOW HASN'T A CHANCE

When we talk about television and electronics, it is well not to forget the Bell Telephone Company and two or three other titans in this field. I recall serving on the House Patents Committee in 1935 when testimony was taken on the subject of the control of sound-reproducing equipment in the film industry. A subsidiary of the American Telegraph and Telephone Company got into this field at an early date. A group of independents was also in the field. This independent group of companies, worth about $200,000,000, owned the German selenium process for photographing the sound on the film itself. The independent companies were probably in a stronger patent position than the A. T. and T. subsidiary. The equipment of both groups for making the picture and reproducing the film in motion-picture theaters was excellent and of comparable quality. When the A. T. and T. subsidiary threatened to bring injunction proceedings against every theater that showed films or used equipment made by the rival group, the independent group girded for battle. But the bankers to whom they applied for the necessary financial support said that they could not afford to back an association of companies worth $200,000,000 that was plunging into innumerable patent and injunction suits against a $5,000,000,000 adversary. The independent companies went down like a house of cards. The mere threat of battle from a five-billion-dollar

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concern rendered them *hors de combat.* Yet the little man is told that there is a future for him in the field of television and of electronics. Say, Mister, you ain't kiddin', are you?

I don't know what the new automobiles are going to be like. I do know that before the war three big manufacturers produced about 85 per cent of all the automobiles made. I know that these companies are today completely engaged in war work, and that of all the war contracts let up to the present time, General Motors has received $8,500,000,000 worth, or 8 per cent. I know that the three big companies have done a good job of maintaining their distributors and agencies, and I have no doubt that they have found a way of making the cost constitute a company expense and that ultimately more than 90 per cent of this cost will come out of the United States Treasury. Opportunity for "free enterprise" in the automobile field was negligible before the war and will be less than that after the war.

Planes of the helicopter type will undoubtedly become popular after the war and there may be other types of new planes, but it is hard to see what aviation can offer to "free enterprise" in the post-war period. We now have the capacity to turn out 125,000 planes a year, a number many times as great as can be needed in peace time. With two exceptions, the plane companies are all controlled by the big banks, and the understanding between them is that they will divide any post-war business equitably. Private capital knows that the airplane industry is a war industry, and 90 per cent of the vast expansion in this field has been financed by the government.

The field of housing offers a vast opportunity if we peg our national income at $150,000,000,000 or $200,000,000,000, but if we permit it to drop back to $70,000,000,000 or $80,000,000,000, then we are overhoused—not in terms of human needs but in terms of what we can afford. The pre-fabricated house exists largely in the imagination of promoters and enthusiasts. Not long ago a company employing 500 people in research alone spent a large sum experimenting with pre-fabrication. After several years they came to the conclusion that they could not develop anything to compete with ordinary frame construction. The head of their patent department, who is an old friend of mine, told me that anybody could have the results of their research, because they intended to pursue the matter no farther and had written the whole thing off as a total loss.

Production of "new farm crops" has been stimulated by the blockade in the Pacific and by certain unusual war demands. When world trade is reestablished, an efficient division of labor will favor a return to the production of standard crops. Advances in chemistry, such as the conversion of cellulose into protein, are not likely to help farming. If we ever achieve an economy of full employment, I think that I shall go back to farming as a matter of choice, but as an occupation that offers scope for free enterprise in the post-war world it holds little allure.

I do not know much about the new plastics. But I do know where the plant expansion has taken place that will dominate this whole field. The plant facilities of the Du Pont Company have been expanded to the amount of $1,114,850,000, of which sum $53,849,000 was provided by the Du Pont Company and the balance of $1,061,001,000 by the United States Treasury. In a statement before the George committee Senator O'Mahoney, commenting on this situation, said: "It took almost 100 years for a few great mining corporations and industrial organizations to gain control of the mineral resources of the country. Today its chemical resources are under even tighter control as we approach the plateau from which the promised land of the future is visible."

Somehow Mr. Willkie seems to offer us more hope when he remains general than when he becomes specific. "New discoveries" as such offer little opportunity to free enterprise in a system dominated by monopoly. We have had important discoveries "crying aloud to be developed," lo, these many years, but they have usually been tightly covered by patents, and the owners of the patents have not always been interested in their development. When they are interested, they move heaven and earth to keep others out of their preserves. I am willing to wager that the patents covering the really important discoveries that have come out of war research, paid for out of the United States Treasury, will be found almost entirely in the hands of the 100 corporations that have obtained 70 per cent of all war contracts.

In a statement transmitting his report to the Special Committee on Post-War Economic Policy and Planning, Senator O'Mahoney said:

> The investigation of the Truman committee and the activities of the Anti-Trust Division of the Department of Justice all tell the same story—that huge enterprise, in strange disregard of its own ultimate interests as well as the interest of the system of free enterprise, has been consistently endeavoring to destroy the profit-making opportunities of its competitors. Whether it be in the production of aluminum or rubber or steel or oil, many of the giant corporations which participate in holding the bulk of war contracts have done everything in their power to prevent the establishment of competitive enterprise that might possibly compete with them after the war is over.

Big business does not advocate the elimination of competitive enterprise, but in the conversion to peacetime production and in the fight for post-war business it will be in a singularly advantageous position to eliminate smaller competitors. That this process is now going on at a rapid rate is indicated by the increasing number of

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small business men coming to Washington to protest against being combed out, and ready to grasp at any straw to save themselves.

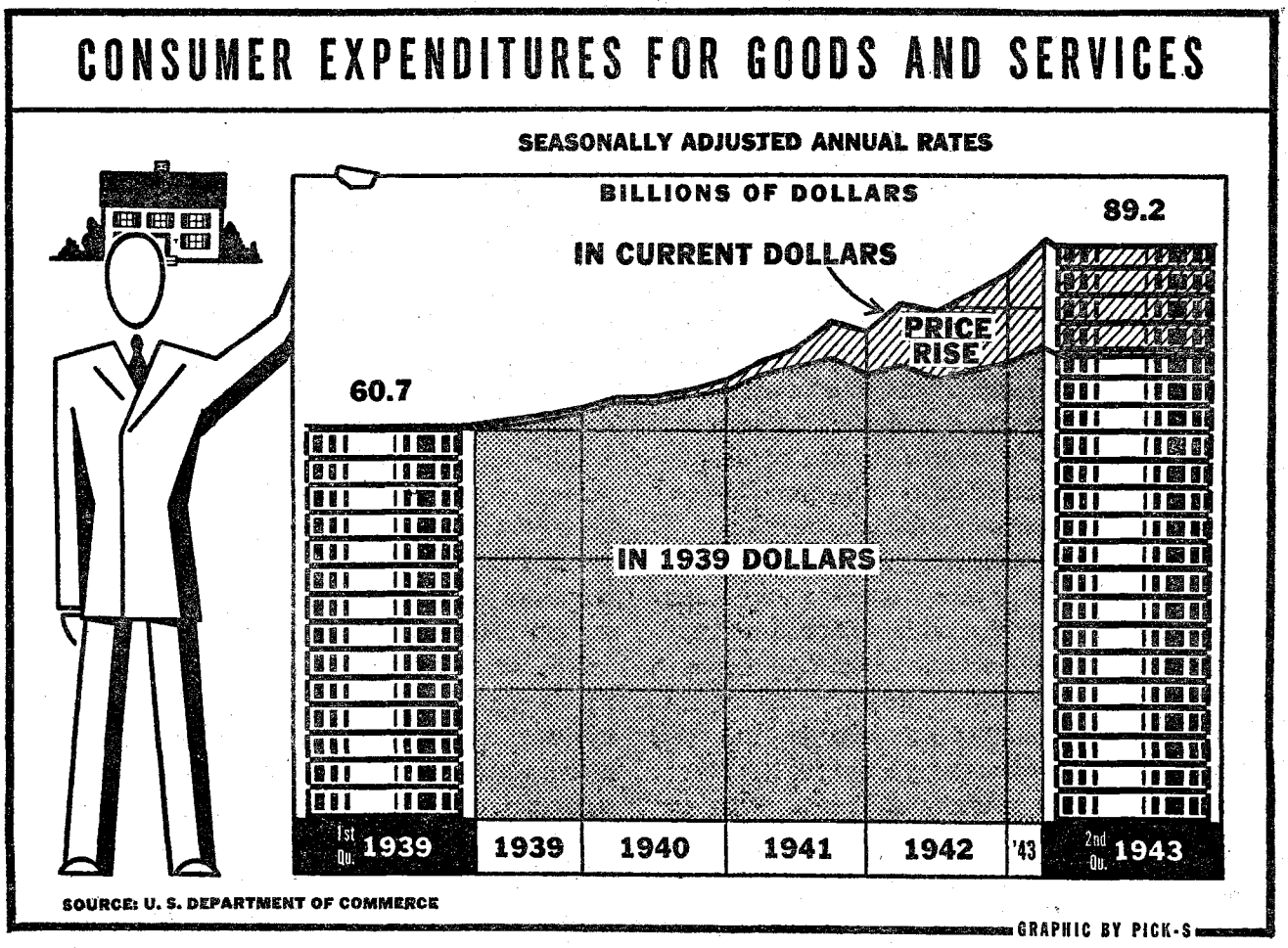
PRIVATE SPENDING CANNOT MAINTAIN A 200-BILLION-DOLLAR ECONOMY

The program of big business assumes that a reduction or elimination of corporation taxes is necessary to encourage business to provide full employment. A study of our income statistics show this to be false. Our total federal revenue from all sources is $40,000,000,000 a year. Let us assume that when peace comes we maintain production and continue to collect the same amount of money in federal taxes, and that the government continues to spend this sum annually. With a total gross production of $200,000,000,000 we shall have a net income of $158,000,000,000, which, after the payment of personal taxes, would leave about $130,000,000,000 of disposable income in the hands of individuals. Of this sum we may assume that $110,000,000,000 would be spent for consumer goods and services, leaving a balance of $20,000,000,000 to be saved by individuals.

Let us assume further that we have a business Administration so determined to give business a chance that it repeals all federal corporation taxes. The corporations thus find themselves with $16,000,000,000 in addition to the $8,500,000,000 that they have set aside for depreciation and other reserves. Are the corporations likely to spend this extra $16,000,000,000 in expanding their manufacturing plant when they are worried about what the government is going to do with the $15,000,000,000 worth of government plant that it financed for war production? If we can achieve a gross national production of $200,000,000,000 with our present plant, does anyone think that private corporations would see any profit in further expansion?

There would be little for the corporations to do but to pay the money over to their stockholders, in which case the federal government might recover $5,000,000,000 through individual income taxes, leaving an additional $9,000,000,000 in the hands of individuals to be spent or invested. Perhaps $5,000,000,000 might be spent, leaving $4,000,000,000 to be invested in addition to the other $20,000,000,000 already saved by individuals. We should then have individuals with $24,000,000,000 to invest in the fields that have been opened up by the war and that have been obligingly enumerated by Mr. Willkie. Will this money be invested in new plastics, new automobiles, television, new farm crops, airplanes, or other new fields? Of course some of it will be, but most of it will be saved—and the result will be depression.

By lowering corporation taxes we should simply be taking money away from the government, which is a sure spender, and giving it to corporations and individu-



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als that appear to be more interested in getting plants out of production than in constructing additional facilities. It is all too obvious that private investment cannot maintain a gross national production of $200,000,000,000; it cannot even maintain a gross national production of $110,000,000,000 without a minimum of $5,000,000,000 a year of government deficit spending for relief and public works. The pretense that it can do so is merely a useful device in big business's campaign for political power.

We Can Have Full Production

THE graph on the cover of this supplement is based on data released by the United States Department of Commerce. According to that authority we are producing goods and services during the last half of 1943 at the rate of $188,000,000,000 a year, and have a net income of $155,000,000,000 after making deductions for business taxes, depreciation, and special reserves. This figure is considered low by the research department of an important war agency, which estimates that the gross national production during December of 1943 will be at the rate of $199,500,000,000 a year.

Statisticians may argue that these figures do not take into account the fact that the dollar is worth less today than in the 1930's—which is true. If the dollar bought as much today as in 1939, our present national income would be only about $135,000,000,000; nevertheless we are now producing goods and services at a rate 80 per cent greater than in 1939, and we are doing this with ten or eleven million of our best workers in the armed forces.

NATIONAL INCOME CAN BE RAISED

This increase is due largely to the increased number of hours worked, but the output per man-hour was 3.9 per cent greater in 1940 than in 1935, 3 per cent greater in 1941 than in 1940, and 4.4 per cent above 1941 in 1942. The increase in output per man-hour in 1943 over 1942 appears to be still greater, although final figures are not yet available. Some such spurt in productivity was to be expected as industry readjusted itself to the loss of ten or eleven million of its youngest and strongest workers. According to the War Manpower Commission, we have not yet reached maximum efficiency in industry, but are actually wasting 20 per cent of our labor potential.

The increase in production since 1939 could have been achieved just as well in the years immediately following 1929. Two studies of our physical capacity made in 1934 show this to be true. These studies were made because it was apparent that the drop in production from $83,000,000,000 in 1929 to $39,000,000,000 in 1933 was due to man's failure to manage rather than to any act of God. Moreover, it was generally understood that even in 1929 our economy had operated far short of full capacity.

The Brookings Institution study, based upon our manufacturing plant capacity and taking into consideration availability of labor and other limiting factors, arrived at the conclusion that we might have produced 19 per cent more goods and services in 1929 than we actually did. The national survey of potential product capacity made by Loeb and Associates and sponsored by the New York Housing Authority approached the problem from another angle. It sought to learn, first, whether we could provide our 130,000,000 people with adequate housing, food, clothing, education, professional care, and recreation, and then, having set standards for these necessities, to determine their value. It concluded that production could be raised at least to the $135,000,000,000 mark.

DOES PRIVATE ENTERPRISE FEAR THE MACHINE?

A few weeks ago the national organization of the machine-tool industry announced that the machine-tool producing companies intended to seek a refund of all excess-profits taxes. The reasons given were that the industry, in cooperating with the government's war program, had destroyed its market for the next ten or fifteen years; production had been at the rate of $40,000,000 a year during the eight or nine years following 1929, but had now been stepped up to $1,320,000,000. The announcement pointed out that if excess profits were refunded, the companies could keep their laboratory work up to date and in this way be in a position to produce high-grade machine tools when they were called upon to do so, perhaps ten or fifteen years from now.

If we are going back to the production levels of the pre-war 1930's, no one can take exception to the position of the machine-tool industry, but what a travesty the whole situation must seem to the industrially backward peoples of the world who still dream of some day bringing raw materials, machines, and man-power together. Indeed, we do not need to leave the United States to find people who view it in the same way. We have at least two states where the per capita income during the last fifteen years or so has been below $200 a year. In these states most of the people work part of the year at planting, tending, and harvesting the cotton crop; the rest of the time they might properly be listed as unemployed. Millions of people in the United States have no

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more idea what a machine tool looks like than the Russian peasants had twenty years ago. Industrialization of the regions where they live would not only raise the per capita income and the living standards of these people but further the strength and welfare of the whole country.

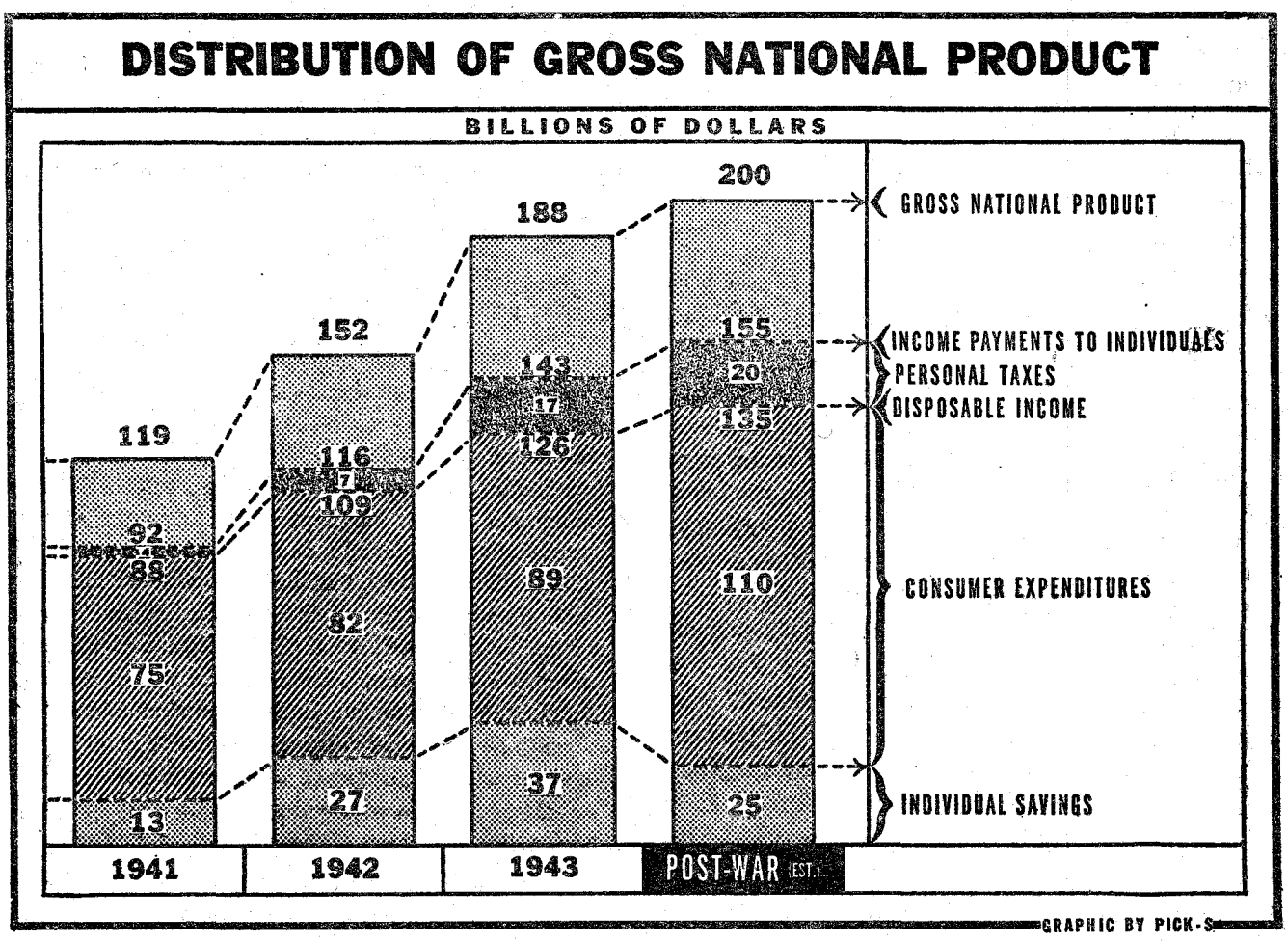
"THE INORDINATE PRODUCTIVITY OF THE MACHINE"

Thorstein Veblen frequently referred to the inordinate productivity of the machine, but one wonders whether he ever foresaw a situation in which we could, in a few years, make so many machines with which to produce goods that the manufacturers of these machines would seek a fifteen-year moratorium on their production. The irony of the situation was well illustrated when the machine-tool industry sent a spokesman to the Lend-Lease Agency the day after Mussolini fell, to see if it could not get the job of retooling Italian industry.

In Soviet Russia the output of the machine and metal-working industry rose from 1,100,000,000 rubles in 1913 to 2,200,000,000 in 1928. By 1937 it had risen to 24,700,000,000 rubles. In 1930, 20 per cent of Russian income went into capital goods. This figure finally rose to 30 per cent, and the Webbs think that it may have got as high as 40 per cent. Here we have the explanation of how Russia in a relatively brief period was able to build an industrial plant that has enabled it to bear and throw back the massed attack of Hitler's armies.

Recently I had the opportunity to spend several evenings with a well-known industrial engineer who had had three extended assignments in Soviet Russia and then one of several months in Chungking. In Russia he had served as a consultant in working out the various five-year plans. His experience made him very positive that we would have little difficulty in operating our economic system during peace time at present levels. He was also confident that with a national plan in force we could in a few years produce an income of $200,000,000,000 a year.

It seems to me that this engineer was talking sense. It is, of course, plain that we cannot shift over immediately from making $100,000,000,000 worth of war goods to making $100,000,000,000 worth of goods for peace; but, after all, the raw material that men and machines make into war-time goods *can* be made by men and machines into peace-time goods provided we have a plan and the will to carry it out. With the return of 11,000,000 of our most efficient workers, it should not be difficult in the next decade to reach a production level of $200,000,000,000 in terms of net national income measured in 1939 dollars. Scientific and technological advances have been extraordinarily rapid during the past few years. In the decade following peace, by utilizing this knowledge in the field of peace-time production, we should be able to achieve an increase of 5 per cent a year.



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DISTRIBUTION OF A $200,000,000,000 GROSS INCOME

In discussing an economy based on a national gross production of $200,000,000,000, such as is expected in 1944, we shall be aided by a brief glance at the chart on page 635. Distribution of such a gross income would be roughly as follows: total business taxes, federal, state, and local, $30,000,000,000; depreciation and depletion, $8,500,000,000; other business reserves, $1,000,000,000 plus; capital outlays charged to current expenses, $1,600,000,000. With business costs and deductions totaling $41,500,000,000, there is left a net income of $158,000,000,000, of which $6,000,000,000 is held back by corporations for social security and special reserves. Total federal and state personal taxes will amount to $22,000,000,000, leaving a net disposable income of $130,000,000,000. Of this sum $90,000,000,000 will be spent for consumer goods and services, and $40,000,000,000 will be left over for savings.

But of course we are dealing with a war situation, in which the quantity of consumer goods available for purchase is limited. When we return to peace-time conditions the amount spent for consumption will be considerably increased, but it will not absorb all the money that now goes into savings. It is reasonable to suppose that instead of $40,000,000,000 in savings we shall have $20,000,000,000 or $25,000,000,000. In addition to the money saved by individuals, there will also be available for new factories, machinery, and equipment—that is, capital formation—the sums that are set aside by corporations for depreciation, depletion, and special reserves, totaling about $8,500,000,000.

THE SAVING HABITS OF THE AMERICAN PEOPLE

In 1929, $20,300,000,000 was invested in our productive system in the form of tools in the widest sense. Over the last twenty years the average has been about $14,000,000,000, the low point of $3,100,000,000 having been reached during 1932.

The idea that thrift is one of the greatest of all virtues has sunk more deeply into the mind of the American people than bankers are likely to believe. In 1932 we saved about 6½ per cent of our gross national income. In 1940 we saved about $17,600,000,000 out of a national income of about $75,000,000,000. As national income goes up, the amount set aside as savings increases much faster than the national income increases. It is the belief of most economists that approximately one-third would be saved out of any national income above the level of $75,000,000,000.

If from $30,000,000,000 to $40,000,000,000 a year must be diverted to new buildings, equipment, and machinery in order to maintain full employment, the saving habits of the American people are of great value to us. This is an advantage that was not possessed by Russia during the 1930's, when an authoritarian government decided to turn 30 to 40 per cent of that country's gross national production into capital investment. The propensity of the American people to save means that we shall have sufficient sums for large-scale capital formation without having to pay high interest. And since our people save, we must provide a place where their money can be invested. Otherwise stagnation occurs, and eventually depression of a kind that wipes out savings.

The American Way

IN THE old days the policy of helping the common man by helping private enterprise was known as the "American system." Aid was doled out to business in many ways—by the protective tariff, by bounties, and by public works (then called internal improvements). Today the protective tariff has ceased to be a useful device, but the other methods are still practiced.

The basic need at present—and this is admitted on all sides—is to reinject profits and savings into the economic bloodstream through new investment. The monopolists tell us that this can be done only if the lure of individual profits stimulates new investment. They insist that the government must, above all things, keep its hands off. But this is not the American Way. The American Way has been for the government to take the lead and give financial encouragement to private interests and enterprise. Here, for example, is what Hamilton said:

> Experience teaches that men are often so much governed by what they are accustomed to see and practice that the simplest and most obvious improvements, in the most ordinary occupations, are adopted with hesitation, reluctance, and by slow gradations. The spontaneous transition to new pursuits, in a community long habituated to different ones, may be expected to be attended with proportionately greater difficulty. When former occupations ceased to yield profit adequate to the subsistence of employment, or when there was an absolute deficiency of employment in them, owing to the superabundance of hands, changes would ensue; *but these changes would be likely to be more tardy than might consist with the interest either of individuals or of the society.* In many cases they would not happen while a bare support would be insured by an adherence to ancient courses, though a resort to a more profitable employment might be practicable. To produce the de-

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sirable changes as early as may be expedient may therefore require the incitement and patronage of the government.

Although Hamilton was talking primarily of the introduction of manufactures and was arguing for a protective tariff as the principal but not exclusive form of government aid, his words are equally applicable to the task of stimulating investment. Experience certainly demonstrates, as Hamilton pointed out, that new investment, if left to purely private initiative, is "likely to be more tardy than might consist with the interest either of individuals or of the society," and that "countenance and support from the government" are necessary to "overcome the obstacles inseparable from first experiments."

Indeed, while the protective tariff was the favorite form of government patronage for developing at home the industries that already existed abroad, government spending to support the general pulse of economic activity also played an important role in the traditional "American system." Hamilton started the country on the road to prosperity by refinancing at par the heavily depreciated debts of the Revolution. This tremendous expansion of the outstanding public debt was the equivalent—on a larger scale—of the payment of the soldiers' bonus in 1936. Far from being frightened at the idea of a large public debt, Hamilton declared that a "national debt, if it is not excessive, will be to us a national blessing."

At a later date government spending for internal improvements, land grants for railroads, and free land for agricultural homesteads played the same role that the expansion of the debt played in Hamilton's time. Giving away the wealth of the public domain in order to develop the prosperity of our citizens does not differ in any essential respect from the modern device of government borrowing of the people's savings in order to promote the people's prosperity.

GOVERNMENT AID FOR INDUSTRY AN ESTABLISHED POLICY

Government aid for industry has been developing without our being aware of it ever since the disappearance of "free land" in 1897. But because it has developed without our knowledge, we have failed to see its full implications or to pursue the policy aggressively during periods of crisis. The automobile boom was made possible by the public expenditure of $19,000,000,000 for motor highways. Similarly, the favorable balance of trade that we enjoyed in the '20's was made possible by government sponsorship of loans and credits abroad—bolstered partly by the Dawes and Young plans—totaling some $10,000,000,000. When the Great Depression came, we dropped our public-works expenditures and our foreign loans, and after allowing the economy to sink to starvation levels we timidly resorted to a $3,000,000,000 WPA program, largely devoted to leaf-raking projects.

We have still a frontier to exploit. This is the frontier dividing full employment and a national income of $200,000,000,000 from secular stagnation with a national income of $70,000,000,000 and a $3,000,000,000 WPA. Without $3,000,000,000 of government spending we should perhaps sink to the level of 1932, when our income was about $40,000,000,000. Undoubtedly, however, we shall spend $5,000,000,000 a year or more for relief and public works even with a Republican Administration.

A CHALLENGE TO SMALL BUSINESS

The small business man should take the lead in opposing a policy that would put us back at the production levels of 1939, for it is small business that would suffer most if this were done. Further, small business ought to take the initiative in trying to convince the public of the necessity of a full-employment program.

History has shown that reforms are seldom adopted until some vested interest finds it to its interest to collaborate in securing their adoption. In the present situation a return to 1939 levels would eliminate not only large numbers of small business men but even some of the leading companies in such diverse fields as shipbuilding, aircraft, aluminum, and chemicals. If individual business men, realizing that the program of the N. A. M. and the Chamber of Commerce holds no future for them, would organize a League of Business Men for Full Production, public sentiment could be very easily mobilized behind such a program.

It may be argued that labor organizations ought to take the lead because labor receives two-thirds of the net national income. But labor leaders have always been inclined to concentrate their attention on straight trade-union activities. The farmers should also be interested because they receive about 10 per cent of the national income, whether that income be large or small. But the farmers have been taken in perhaps more completely by the propaganda of big business than any other group in our society. Units of big business are less concerned about the size of the national income than any other group because they are usually able to show some profit, however bad the economic conditions; the managers of big business, with their regular salaries, need never worry.

But small business men, shoe-string business men, are in a completely different situation. If the national income is at a very high level they can make excellent profits. If it is reduced by a third or a half a large proportion of them are certain to go to the wall. This will be particularly true in the post-war period because their big competitors will have advantages they never enjoyed before.

If the national government undertook to maintain full employment by channeling back into the field of investment enough savings and government credit to keep

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everyone employed, there would be a minimum degree of interference with private business. There need be no further interference with the manufacture and sale of consumer goods. The government would be simply guaranteeing that the consumers of America would have from $120,000,000,000 to $150,000,000,000 a year to spend for consumer goods in a competitive market, with emphasis upon the word "competitive."

It may be taken for granted that if public opinion would support a program of this kind it would also insist that business men forgo all monopoly advantage. Enterprising men with new ideas would always be given a chance to demonstrate the value of what they have to offer, while the inefficient and the unimaginative would be crowded out. The situation might again become such a one as the proponents of free enterprise dream of—namely, one in which there is a steady procession of imaginative and efficient men into the field and an exodus of those who no longer have any contribution to make. Under such an arrangement there would not be socialization of the means of production, but there would be socialization of the purposes of production.

The economic monopolists, of course, would fight such a program because it would deprive them of the economic control now in their hands. But the small business man ought to recognize that only in a system of this nature can he exercise what he terms "the right of free enterprise."

Spending for High Consumption

THE United States has been a great industrial nation for so long that when people here are confronted with any kind of production problem, they naturally think first of the plant facilities that will be required. Whether it is a question of producing aluminum, tanks, aircraft, or ammunition, the first thing considered is the adequacy of the existing plant. If it is not adequate, additional facilities are built. Thus when the war broke out, our first job was plant construction. Today, after spending $15,000,000,000, the government owns 50 per cent of the country's aluminum plant, 92 per cent of its magnesium plant, 10 per cent of its steel plant, 100 per cent of its synthetic-rubber and high-octane-gasoline plant, 50 per cent of its machine-tool plant, and 90 per cent of its aircraft plant.

Altogether, our production facilities are now turning out new goods at the rate of $200,000,000,000 a year, roughly half of them being for the war effort. As a country we can produce the goods and services that make a high-consumption economy possible. But as individuals or families the majority of Americans do not have a plant that makes it possible for them to enjoy a high-consumption standard. We have the capacity to fill every home with modern furniture, kitchen equipment, radios, refrigerators, but many of these things would be grotesquely out of place in the homes of "the most poorly housed modern nation in the world." The home is where a high standard of living begins. That is where any kind of planning worthy of the name must start.

OUR HOUSING IS IN BAD SHAPE

Of 7,000,000 farm homes, only about 15 per cent have running water and electric lights. In most cases, if these burned to the ground, the insurance adjuster would have little difficulty in settling the loss for less than $2,000. In a high-consumption economy 90 per cent of our present farm homes would be as much out of place as a share-cropper's shack in an exclusive residential area.

Of 30,000,000 urban homes 2,300,000 require major repairs; 3,400,000 others lack private baths. Ninety per cent of our 24,000,000 single-family units are worth less than $7,500 a piece; the average value is less than half that sum.

When business men dream of the post-war world they see a great horn of plenty showering Americans with gadgets in return for their $64,000,000,000 of savings. But the dream is fantastic. Automatic heat, for example, is one of our greatest inventions. But in half of our 37,000,000 homes automatic heat would be ridiculously inappropriate. A really modern kitchen is a wonder to behold, and so is a well-equipped laundry. But where would the gadgets be placed in our 20,000,000 poorest houses, where there is hardly room to turn around? A house has to be designed for these conveniences if they are to be easily and effectively utilized. If all American families had adequate houses, it would be possible to conceive of a tremendous demand for comfortable beds, living-room furniture, air-conditioning equipment, F-M radios, and television receivers. But one look at our housing plant should disillusion us.

A pamphlet entitled "The Role of the Housebuilding Industry," published in July, 1942, by the National Resources Planning Board, contains a housing program which proposes that farmhouses be constructed at an average cost of $3,700, and urban houses at an average cost of $3,400. It should be obvious that a housing program keyed to this level means the continuance of a

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$70,000,000,000-a-year national income. It would do little to raise our national income above the level of the 1930's. And if that is to be the post-war level, we do not need a housing program at all, because we are already over-housed—not, of course, in terms of human needs but in terms of what we can afford on a $70,000,000,000 national income. That our housing plant was better than we could afford during the '30's is shown by the fact that it deteriorated steadily during the whole of that decade, seeking a level that our income could support.

During the 1930's rentals did not pay for the economic value of the shelter provided. While this fact was not generally understood by tenants, it was understood by thousands of landlords, who could not obtain high enough rentals to prevent the gradual but steady depreciation of their properties.

If we recognize that we are now producing goods and services at the rate of $200,000,000,000 a year, and if we believe that a high-consumption economy will be possible when we convert to peace-time production, let us start to think in terms of houses that would cost $10,000 or even $12,000 to build according to present standards. Such a house belongs to a high-consumption economy and would support and stabilize it. A $3,400 or $3,700 dwelling unit does not belong and would help to make a high-consumption economy an impossibility.

A $200,000,000,000-a-year economy is no longer an ox-cart economy. It is rather a high-speed-airplane economy, in which a high level of production has to be maintained to keep it from stalling. Too many of our citizens are like the mother whose son joined the air corps in the last war. When she learned of it she asked him to promise her faithfully that he would keep close to the ground and not fly fast.

OUR CITIES NEED REPLANNING

Almost half of our population lives in cities of more than 100,000 inhabitants. These cities are the despair of every person who thinks in terms of the more abundant life. Yet we must find a way to make them good places to live in, not only for people in early manhood, but for children and old people as well. That means we shall have to replan and rebuild them. And replanning must be bold and imaginative—on a large scale—in terms of square miles rather than of city blocks. But before the rebuilding can be undertaken, large areas must be freed from the bonds of debt. Creditors' claims can be amortized over a period of years. The federal government could properly absorb a large part of them in order to expedite the whole process of reconstruction. Also, through a public-works program, it might well take the responsibility for widening streets, laying out parks, and making the other improvements that are incidental to the creation of a neighborhood.

In areas where the government has contributed a large part of the value of the site, the condition might be laid down that no house built should cost less than $10,000. The cry would of course be raised that this was favoring the rich—unless it was understood that we were trying to keep an airplane above stalling speed, and that those houses were meant to set a standard that was to be adhered to in rebuilding America.

The field of rural housing opens a unique opportunity. Farm homes have never received much attention from architects. They deserve, however, very serious attention, for they must be not only places to live in but places to work in. Here would be a good field in which to try out some of the new techniques of construction.

Laboratory work in the field of construction has never been done because there is no organization big enough to undertake it. Nor would any firm be financially justified in doing it, since the ultimate findings would naturally belong to the whole building industry. This laboratory job is one that properly belongs to the government. It should be the first item on the housing program.

CONSTRUCTION AND PUBLIC WORKS

To promote a vast housing program involving the redesigning and rebuilding of our metropolitan areas, the government might have to spend $2,000,000,000 in order to encourage an investment of $15,000,000,000 of private capital. It must also spend large sums on public works. The redesigning of our metropolitan areas will necessitate new public buildings. If all our children are to be given the opportunity to go through high school, many new schoolhouses will have to be built. Much work still remains to be done on water-power, irrigation, and rural-electrification projects. By its operations in this field the government can take up a great deal of slack if unemployment develops. Plans should be made well in advance so that efficient use can always be made of available labor. A normal expenditure of $3,000,000,000 a year is contemplated.

While most of the money spent under a security work program might be considered protection against unemployment, at least 50 per cent of the expenditure, including the labor spent on reforestation, flood control, and conservation, could be considered a productive national investment.

MODERNIZATION OF OUR MANUFACTURING PLANT

After the war it will be found that many of our largest manufacturing companies have utilized the last few years to effect the complete modernization of their manufacturing plant and equipment. Smaller companies will discover that, from a competitive standpoint, they are in much weaker shape than they were before the war. Since the public, as well as the smaller companies, will suffer, the government could very properly make it one of its goals to help bring the manufacturing plant of the country as a whole to the level of the most efficient of the large plants. To this end it could grant loans for new plant construction and new equipment at between 1 and 2

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per cent interest; it could also buy up more or less obsolete equipment and either junk it or export it. One billion a year spent by the government in this way might lead to an expenditure of two billion a year by industry for an indeterminate period of time.

NEW INDUSTRIAL AREAS

Magnitogorsk, Gorki, Sverdlovsk, Stalino, Zaporozhe, Kuznetsk, Komsomolsk are Russian industrial cities whose output has served to stop Hitler. Twenty years ago these industrial areas were non-existent. While ours may be the leading industrial nation in the world, we still have states with a total population of perhaps thirty million where the labor supply is only partially and very inefficiently utilized. During the next ten or twenty years we ought to build industrial cities in these states and make use of this labor. To force the inhabitants to migrate to industrial states would only complicate the problem.

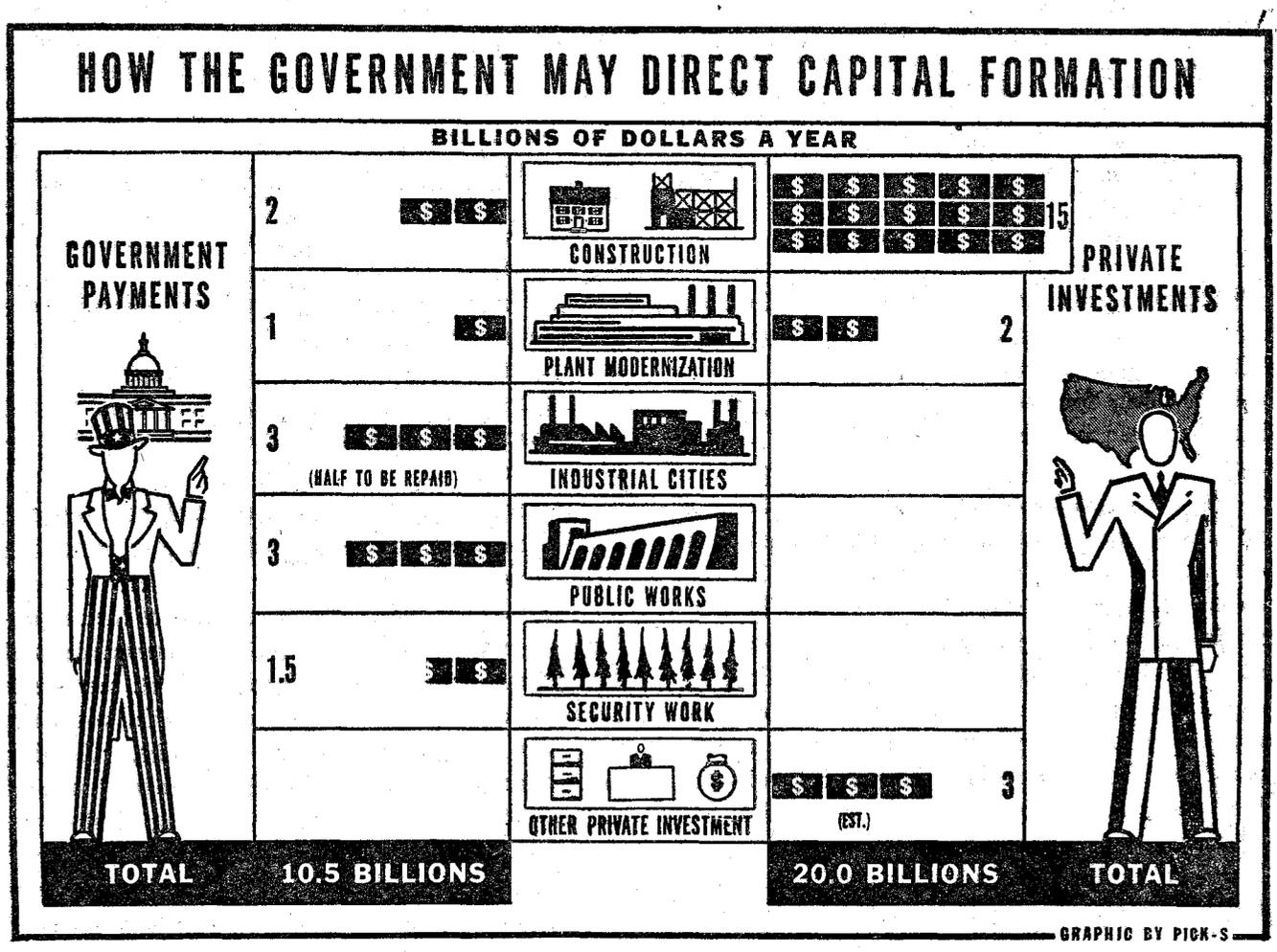
Here would be an opportunity for our ablest and most imaginative engineers and architects. Frank Lloyd Wright's Broadacre City might come into existence, and Bel Geddes's Futurama after a generation might seem a commonplace. Willow Run would be an excellent place for a first experiment: here we have the world's greatest factory located in the open country where there is no place for people to live. While hardship has resulted, Henry Ford may have rendered a real service in blocking a housing program at this time, for there is still a chance to make this an ideal industrial community. What could city planners not do here, with each residential unit costing $10,000 at the minimum!

The chart that follows shows the various ways in which government investment can help to maintain a high-level consumption economy. It is estimated that a total government investment of $10,500,000,000 would stimulate private investment of $20,000,000,000.

CAN WE AFFORD IT?

A few years ago we were told by the spokesmen for business that a deficit of three billion a year incurred to feed some twenty million people would lead to bankruptcy. Now these same spokesmen tell us that we cannot afford to lose the war no matter what it costs, and that there is no danger of national bankruptcy. One eminent professor of economics at Yale has even calculated that we can theoretically carry a debt load of four trillion!

Most people will remember that when the national debt was very small we paid interest at about twice the rate of 1.9 per cent that we now pay. In fact, the theoretical justification for interest—paying people for deferring present consumption for future enjoyment—has virtually disappeared. During the last fifteen years people have been saving more money than they could invest, quite apart from the payment of interest. This suggests that if business men strike against the government



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and refuse to invest their capital, the government might charge them a reasonable sum for keeping their capital idle.

The problem of debt as it affects government expenditures was well summed up by Alvin H. Hansen and Guy Greer in an article in *Harper's* last year:

> A government debt *internally held* is so completely different from an ordinary personal or business debt that it should hardly be called a debt at all. . . . The internal debt of a government need never be paid. It need never even be reduced, except (1) to prevent inflation (through taxation that produces a budgetary surplus); (2) to correct too great inequalities in the distribution of wealth and income; or (3) when it has become so large that taxation to service it disrupts the functioning of the economy.

These things, the authors went on to say, were all well understood by Alexander Hamilton 150 years ago.

A Strong Floor for Our Economy

THE Beveridge Report became a best seller shortly after its publication in England. The interest of the English people in it is not easily understood if we merely translate the terms of the Beveridge plan into similar provisions for this country, stated in dollars and cents. The sum of $8.08 a week for an unemployed man and his wife seems hardly enough to cause any excitement. Nor does $15 a week for a family with four or five children. But when we realize that the latter figure comes close to being an average weekly wage in many British industries, the plan appears in a different light. Translating shillings and pounds into dollars and cents does not give us a fair picture of what these shillings and pounds will buy for living purposes. The fact of the matter is that the allowances proposed in the Beveridge plan would provide the citizens of Great Britain with an income that would buy a passable standard of living.

The Beveridge plan did not propose drastic innovation in the British social-security system. Whereas the present social-security arrangements, public and private, cost £432,000,000 a year, the Beveridge plan would cost £697,000,000 to begin with and would increase till it reached £858,000,000 in 1965. Although the final cost would be only 25 per cent above what is now provided, it probably represents the maximum that the British economy could carry.

The plan has aroused such universal interest because it covers everyone, without regard to social status or wealth, and because the nature of the protection afforded is very full. It includes compensation for unemployment, disability, and loss of livelihood, old-age pensions, allowances for children, and special assistance to take care of sickness, childbirth, and funeral expenses. Since it protects the average man against most of the uncertainties that worry him, it would be a very real floor under the British economic system.

OUR BEVERIDGE PLAN CAN BE VERY SIMPLE

I believe we should adopt a plan that would call for the payment of $100 a month to all unemployed persons. While this may seem a drastic proposal, it would not strain our economy as severely as the Beveridge plan would strain the economy of Britain.

Such a plan is an integral part of a program of full employment. The amount may seem high in terms of the national income of the 1930's, but it will not be too high if we maintain substantially full employment. There are two reasons for saying such a plan is an integral part of a full-employment program. In the first place, the plan would be evidence that the promise of full employment was made in good faith. In the second place, public opinion would be ranged squarely behind the idea of putting everyone to work as soon as possible.

BANKRUPTCY OF OUR RELIEF POLICIES

During the days of the New Deal the liberals of the country were put in a difficult position by circumstances beyond their control. They were never able to make full employment the main issue. Instead, they were forced to choose between some kind of relief for the victims of our social blundering and no relief. The low-water mark in American political history was reached on January 13, 1939, when Congress voted against appropriating the money to continue relief at the pitifully low level then prevailing. The Republicans were almost solidly against the measure.

During the last year of the Hoover Administration the relief a destitute family received averaged less than $10 a month. Under the New Deal it rose to $30 or more during September of 1934. Then the tide started to turn. People who were reasonably secure began to be irked by the necessity of taking care of the insecure. By January of 1935 relief had dropped to $26 a month. At that time President Roosevelt proposed the security-wage system averaging $42 a month which came to be the WPA program. For a while this policy was held to, but public sentiment soon began to turn against the idea of boondoggling and made work. People came to realize that the whole WPA was a travesty on the efficient utilization of labor. I recall discussing this matter with

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the state manager of the WPA program in Wisconsin in 1938. When I suggested that they were not getting 30 per cent value for the money spent, he declared with some bitterness that they were probably not getting 10 per cent. In a sense it was the business community that was responsible for the WPA, because business men would not permit the unemployed to contribute their labor toward their own support or countenance large-scale public building. They objected to the latter on the ground that it would entail maintenance costs and higher taxes. Construction of roads, sewers, and other types of permanent improvements not involving cost of maintenance would have encroached on the field of other vested-interest groups.

The WPA program was politically indefensible, and if we ever try again to take care of part of the people outside the normal operations of the economic system, we shall experience the same unfortunate results. The standards of relief will drop lower and lower; the presence of a large number of unemployed will have a depressing effect on the whole wage structure; scarcity for all will become firmly established; and benefit will accrue only to the people holding the economic and political controls. We must base our program on the fact that the interests of all can best be served by utilizing the labor of everyone.

The preacher may exhort the members of his flock to remember that they are their brother's keeper. But it is not a popular doctrine, and it often happens that the more regularly a man goes to church the more likely he is to vote for a budget-balancer.

People react to the idea of providing relief for the unemployed just as they react to the idea of personally giving relief to any other class of people. If a natural disaster destroys the homes of half the people in a city, other people are generous and solicitous for a few months. But then the burden of helping their unfortunate neighbors becomes irksome. This feeling is soon rationalized into such ideas as: "The people who were burned out on the West Side always were shiftless," or "If they were any good they would be taking care of themselves by this time." Reports from Germany indicate that the inhabitants of rural areas feel the same way about refugees from Hamburg and other heavily bombed cities. People with fine country homes in England did not relish having them filled with cockney children from London.

Whatever we may do, we must never permit a situation to develop again where it is to the economic interest of one class of people to trample upon the class that is the victim of social insecurity.

In the 1930's there was rather general agreement that Negroes were not to have a place in our economy. This fact was well understood by union leaders and employment officials. I was told in 1939 in Chicago that many big companies refused to hire a person who had been on relief or who had had a member of his family on relief. Let us not make the mistake of thinking that this was merely the whim of some hard-boiled personnel manager. It was the inevitable outcome of a situation in which the people who were employed came to feel that they were carrying the burdens of the jobless. Naturally they felt that way—two-thirds of the people working part-time could not produce enough to provide plenty for all.

A large number of unemployed is of course a threat to the living standards of the employed, since there is bound to be competition between the two groups, and a small number in each group will cross back and forth. During the depression days some union leaders would have erected a barrier between the groups if they could have done so. Most labor leaders tended to see themselves as the representatives of their dues-paying members and had little interest in the unemployed. This was particularly noticeable during some of the hard fights for adequate relief in Congress.

We shall never be able to achieve abundance if we contrive things so that a majority can be made to feel that they will promote their own interests by working for scarcity. We must develop a willingness on the part of the majority to strive for the inclusion of all citizens in productive labor, and we must see that the cost of failure at any point does not fall on the victims of unemployment. During the 1930's advocates of the WPA program sought to convince farmers, business men, and employed workers that it was to the advantage of everyone to give the unemployed some purchasing power, but this argument was never very effective. People simply do not believe that a man who is not effectively employed should be properly paid. For this reason the chief emphasis should be placed not on the right of the individual to be efficiently employed but on the responsibility of society to see that he is efficiently employed. If society demands of a man that he accept work but is not prepared to give him a job, it is only reasonable that he should be properly paid as long as he is ready and willing to discharge his obligation to society.

ONLY UNEMPLOYMENT CAN CHEAT THE PEOPLE OF ABUNDANCE

A program calling for the payment of $100 a month to the unemployed ought to be accompanied by certain safeguards. It is only reasonable, for instance, that a person should not be paid more by way of compensation than he normally earns when employed. Certain people should perhaps not be considered to be among the unemployed. There are perhaps a million people in this country possessing only limited capacity for work. There are others who are just natural malingerers, and of course large numbers of young people come into the labor

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market every year who have had no training and, what is worse, have never learned what it is to work. For these there should be something combining the features of the C. C. C. and the N. Y. A., but more diversified in scope. Its purpose should be to train people and give them necessary work experience. There should also be a long-range program of continuing public works to meet such needs as reforestation, soil conservation, and flood control. The men engaged in this kind of work should be paid a flat salary of $100 a month, plus maintenance. Every citizen, so far as possible, should be permitted to learn any type of work for which he is fitted. A public-works program should not only give each individual a chance to secure training for a better job but also pay him enough so that he might eventually be economically free to try out ideas of his own.

This provision is an essential part of the $100-a-month simplified "Beveridge plan." It would give society the means of protecting itself from people who do not want to work, and it would also insure to the individual a minimal type of employment paying enough to allow him to make another start.

The Plan for an International RFC

A PLAN to set up an International Bank with a capital of $10,000,000,000 to aid in the rehabilitation of the stricken nations of the world and to facilitate the movement of raw materials in payment for capital goods is being discussed. This plan must be carried out if there is not to be chaos all over the world when the Axis countries have been defeated. Seven out of ten Americans now realize that in our own self-interest we cannot afford to revert to an isolationist policy. The American people will undoubtedly back a program calling on them to assume responsibility in the rest of the world, for they know that if we do not sit at the council table when a policy for managing the world is decided, this policy will be against our interest. The average man understands this instinctively, in spite of all the isolationist arguments.

AN EXPORT PROGRAM REQUIRES FULL EMPLOYMENT AT HOME

A number of sincere people, seeing that the world could probably use $500,000,000,000 worth of capital equipment in the next twenty years, regard this market as an outlet for any surplus of capital this country might possess. These people think that we shall probably have a high degree of economic activity for several years after the war has ended, that during the emergency we shall have to export large amounts of food and equipment to the rest of the world, and that when the emergency is ended we shall be able to export capital goods. They foresee an international RFC that will enable us to maintain over an extended period of time what we euphemistically term "a favorable balance of trade."

I do not believe that such a course will be acceptable to our people. For the past year the isolationist newspapers in the United States have worked hard to turn public opinion against it. It is my judgment, based upon campaigning for public office, that the American people will be easily prejudiced against furnishing the rest of the world with capital equipment. In 1929 the per capita income in twelve states was less than $200 a year. In three-fourths of our states it was well under $400. It would not be difficult for an isolationist politician to go to the people of these states and point out that the machine tools, the farm machinery, or the plant equipment sent to this or the other country could to much better advantage be used to raise their own living standards. It would be particularly easy if a large number of people were on relief.

The proponents of an export program would of course point out that the machinery would be paid for in raw materials and consumer goods, but unfortunately in a depression economy such an explanation would only make things worse. Industrial workers would be afraid that they would lose their jobs if imports to pay for capital equipment were to come in from any foreign country, especially a country like India or China with traditionally low standards of living.

Only with full employment at home could we go through with a program of this kind. It would be possible to do it then because working people would not be afraid of losing their jobs. With everybody working it might seem wise to export locomotives, rails, lathes, and other kinds of capital goods in return for cocoa, rubber, tea, hemp, silk, and even processed consumer goods, and it might seem a reasonable idea to permit a favorable balance of trade of several billion dollars a year. But if we think that we could do a huge export business with economic activity at the level that prevailed between 1933 and 1941, we forget the popular resentment resulting from the failure of our allies to pay their war debts after the last war and from the loss of some ten billion dollars exported between 1920 and 1929. Similar resentment will be aroused against further export of capital after this war if we do not first embark on a program reasonably calculated to obtain full employment at home.

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That this analysis of public opinion is correct is indicated by a resolution adopted by the national convention of the American Legion last September. The resolution urged that "all immigration be barred from the United States from the date of the end of hostilities of the present war until unemployment has dropped to less than 1,000,000." In the course of the House debate on repeal of the Chinese Exclusion Law, Representative Allen of Louisiana offered an amendment embodying the Legion proposal, but it was held to be out of order. Otherwise it might easily have been adopted, for the temper of this Congress is not unlike the temper of the Legion, or the temper of the American people as shown in the November election.

An Appeal to Responsibility

AS WE come closer to the post-war world and people's hopes and aspirations for this period become reasonably clear, conservative leaders realize that there can be no return to the irresponsibility of 1931 and 1932. They still hope, however, to return to the conditions that prevailed during the first eight years of the New Deal. Beyond that, they would like to weaken labor organizations and to shift as large a part of the cost of government as possible to the low-income groups. This is well illustrated by the fact that the legislators of fifteen states have memorialized Congress to limit federal income taxes to 25 per cent. Labor, for its part, is coming to realize that the rights it has won cannot be put away in cold storage and still be available for use whenever occasion may require. Freda Kirchwey, editor of *The Nation,* reported recently that workingmen in England are determined to keep the factories in operation after the war if they have to use machine-guns to do it. Workingmen in the United States also have a militancy today that was impossible during the pre-war period of curtailed operations.

A large part of Europe and Asia will inevitably come under the influence of the Russian idea after the fighting stops. Many of our responsible leaders are beginning to realize that the threat of Russia is not military in nature but ideological. The *United States News* of September 3, expressed this view succinctly:

> At bottom, however, the deep official concern is over Russia's example.
>
> First, Russia can make Germany work for her to replace destroyed goods. U. S. and Britain cannot do the same without interfering with private trade.
>
> Second, Russia can keep full employment, with government running everything. U. S. and Britain may face serious post-war employment problems.
>
> Third, Russia may give the appearance of post-war progress as undeveloped resources are exploited on a planned basis, often utilizing war-developed transport and machinery.

We did not feel the impact of this situation in the pre-war era of depression because not till 1937 and 1938 were Russia's accomplishments under its system of economic planning understood in this country, and then only by a few students of the subject. After that the menace of the approaching war absorbed our attention. In the post-war world the opinion-forming industries will not find it possible to poison the minds of the people against Russia in the way that they did before the war.

After the three-power conference in Moscow was announced, the semi-official Russian newspapers carried a number of articles by Professor Y. E. Varga, a Hungarian refugee who is now one of the leading academicians of Russia. These articles proposed that Russia should require Germany to furnish 10,000,000 laborers for a period of ten years to repair the damage caused by German armies in Russia, Poland, and the Balkans. This was something quite new and revolutionary to our mode of economic thinking. When Germany sought to send a large number of construction workers to build houses in France in the 1920's as the only way in which it could meet its reparation payments, the offer was refused. The significance of Professor Varga's suggestion will not be lost on the American people. They will see in it proof that Russia has an economic system that can provide an outlet for all the creative energy of its citizens and in addition utilize enemy man-power to advantage.

If Russia has full employment after the war while we continue to be plagued with extensive unemployment, this fact will make its impact upon the minds of the American people without regard to class or occupation. They will properly wonder whether Hitler and Hirohito did us harm at Pearl Harbor when they caused our gross output to jump from $119,000,000,000 to $200,000,000,000, or whether they did us a favor when they signed an armistice that caused us to drop back to our pre-war depression levels of production. And if the people who manage American industry can offer no leadership in achieving full employment, the people will see that this group is removed from future control. Throughout history ruling classes that failed to discharge obvious responsibilities have been harshly dealt with.

It was indicative of the spirit of our time that James Burnham's book "The Managerial Revolution" had such a vogue among business men a few years ago. So far as

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A PROGRAM FOR PROGRESSIVES

American Labor believes that all Liberals and Progressives everywhere have a joint stake in the following minimum program for the war and post-war world:

¶ To wrest victory from the Axis Powers at the earliest possible moment. This is the cardinal task. All else must be subordinated to it.

¶ To insure the peace by permitting each free people to fashion the form of government and economy best suited to its needs.

¶ To encourage the free and untrammeled activity of the people's movements as the Allies advance upon the European continent.

¶ To oppose at home any grandiose plans for a new American imperialism.

¶ To insist upon an economy of abundance available to all men everywhere as a further guarantee of permanent peace. This program must assure full employment, plus a wide range of social security and decent national income levels.

¶ To continue close and constant collaboration among the United Nations, after the victory is won.

THE AMALGAMATED CLOTHING WORKERS OF AMERICA, representing 325,000 members working and living in 32 States of the Union, firmly believes that the Program of the CIO Committee on Political Action, endorsed and implemented by more than FIVE MILLION CIO members throughout the country, offers the best means for achieving the above desired ends. It envisions the mobilization not only of the FOURTEEN MILLION members of organized labor and their families, but also the MILLIONS of enlightened professionals, small businessmen and working farmers who have a joint stake in a world organized to elevate the living standards of all men in all lands in which the possibility of an expanding economy remains boundless.

The nature of the peace will be determined by the people. They have it within their power to fashion it after their own needs and aspirations. Organized and united, no force on earth can stop them short of their goal.

AMALGAMATED CLOTHING WORKERS OF AMERICA

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I know, this was the first book on political philosophy that any substantial number of business men ever took the trouble to read. Apparently they were eager to be assured that they were performing an essential function and that, come what might, they would probably be secure as long as they continued in a useful capacity. When they try to give more thorough consideration to the nature of their responsibilities as managers they do not seem to get beyond following the leadership of the Chamber of Commerce or the N. A. M. Various polls taken by *Fortune* and other samplers of public opinion reveal that our business men, big and small, entertain precisely the ideas that were recently incorporated in the policy report of the American Bankers' Association.

Concerning this report the conservative *Financial News* of London made the following editorial comment in its issue of September 18:

> This report may be called the Bourbon Plan, on the evidence it offers of the inability of its authors to learn anything or forget anything. . . . According to the spokesmen of the American bankers, all that is needed to bring a happy post-war world is rigidly stable currencies free from any exchange restriction. And the way to achieve this ideal state of affairs is by the elimination of all form of government intervention ("obstacles to initiative and enterprise") and the termination of "deficit financing" through the strict balancing of budgets.
>
> Having read the abstracts from the report that are available on this side, one is inclined to rub one's eyes to make sure one is not dreaming. Is it really possible that well-informed and thoughtful people should allow themselves to be so blinded to realities by their belief in hard money at all costs?
>
> Have they failed to learn anything from their own pre-war experience?
>
> The A. B. A. lost many of its members a little over ten years ago through the widespread difficulties that affected bankers in the United States, and these difficulties were brought about by precisely those conditions whose restoration is now advocated by the survivors of the storm—who owe their survival, incidentally, to the very government intervention they are now so anxious to eliminate.
>
> There is absolutely nothing in the report which suggests that the bankers have realized the necessity for any measures to prevent the recurrence of the boom of 1929 and the subsequent slump.

After this glance at the problems that will confront us in the post-war world, let us look again briefly at the program that the American business man has in store for us. Here it is: (1) Reduce taxes. (2) Labor must be reasonable. (3) Observe constitutional morality in defining rights of property. (4) The government should balance the budget and refrain from interfering with business. (5) Let business men stabilize the economic system.

Do our business men who see themselves as the actual managers of the United States believe for a minute that the program they are advocating offers any reasonable hope of providing work for 15,000,000,000 men who will be unemployed if 1939 levels of production prevail? Do they believe that they will have discharged their obligations as a ruling class well enough to be permitted to continue in the positions they now hold? If they do, they ought to ask themselves seriously why it is that English financial editors, upon reading their program for the future, "simply rub their eyes" and say that this thing cannot be. Is it, indeed, possible that American business men have learned nothing since 1929?

Out of this war will come the rapid industrialization of congested India and China. It is arrant lack of realism for us to imagine that in the kind of world that is emerging, the Western Hemisphere, with a tenth of the world's population, can keep control of two or three times its share of the world's wealth without efficiently utilizing it. Only 55 per cent of the 170,000,000 people in North America can normally be said to be efficiently employed within the prevailing economy. Between the Rio Grande and Panama are 25,000,000 people, 90 per cent of whom live in a pre-capitalist environment in which they can eke out only the barest kind of subsistence living. In the United States during the '30's 11,000,000 persons, on the average, were unemployed, not counting the half of our 6,500,000 farmers who produce less than 10 per cent of the food that reaches the marketplace. Most of our colored people were excluded from participation in the economy. The situation in Canada was little different from that in the United States.

History tells us that those peoples have always prevailed that could support the largest population on a given area. But the greater efficiency that the peoples of one country seem to display in comparison with their neighbors may turn out to be short-lived, for historical change is being rapidly accelerated by the "locomotive of war."

A careful examination of our position in the post-war world should show people with a sense of responsibility that we must not attempt to return to the old order of things. Apart from considerations of national interest, our business and professional leaders ought to see that our economic forms have moved completely away from our social forms, and that a fundamental and revolutionary change is inevitable. People are going to demand that they be given a chance to function. The imperative of this period may be summed up in the term "full employment."

MARX OR KEYNES?

Russia's experience during the past fifteen years suggests that communism is one possible answer to the problem of how to attain full employment. The experience of this country and of England has shown that full em-

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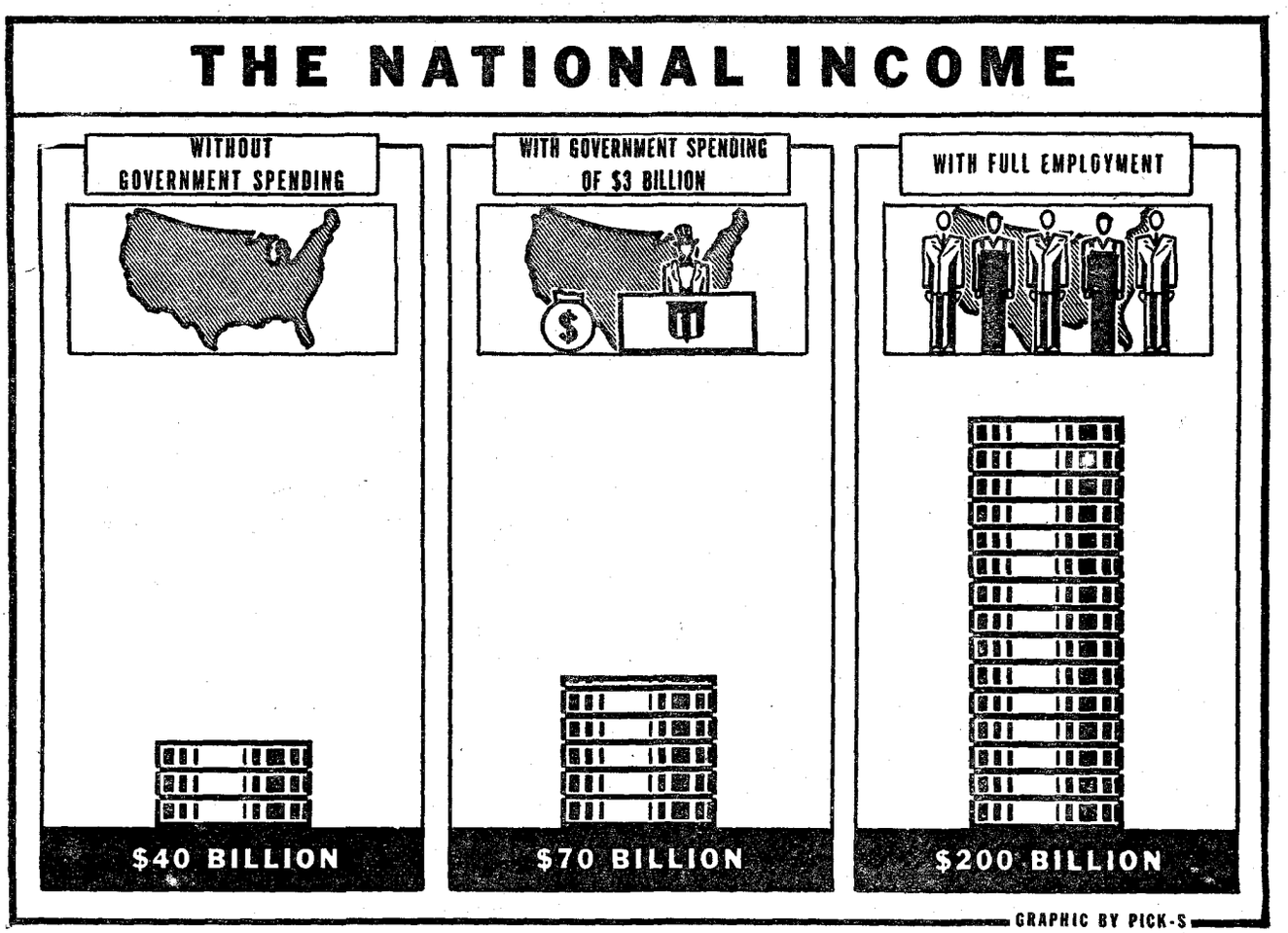
ployment may be achieved for the purpose of prosecuting a war. But critics contend that with private ownership of the means of production it is not possible to operate a planned economy for the purposes of peace. In reply, a large and growing number of economists would say that this contention is based upon theoretical considerations that no longer conform to reality. What the state does in time of war is not to socialize the means of production but to socialize the purposes of production to the end of winning the war. It accomplishes this by the simple expedient of becoming a coordinator of economic activities rather than just an umpire. In time of peace, these economists point out, the purpose of production ought to be to give all citizens the high living standards that our productive capacity makes possible. The state's responsibility as coordinator of economic activities would merely be to provide opportunities for the investment of savings and to make certain that those savings were channeled into investments. While followers of J. M. Keynes might disagree about the procedure to be followed, they would generally admit that this was the end to be sought and the broad way of achieving that end.

For responsible people, who feel it is obligatory to maintain full employment in peace as well as in war, there are two valid programs—the Communist program and the program of J. M. Keynes. The Communist program is distasteful to people now in a position of leadership in that it looks forward to their removal and their supercession by representatives of the proletariat. While this course has been eminently justified in Soviet Russia, the success achieved there has been at a price that does not need to be paid in countries with long traditions of democracy.

The French Revolution resulted from the refusal of the representatives of a feudal order to recognize the economic reality of a rapidly growing middle class. But after the revolution had been fought in France, it was unnecessary to fight it out in every other country. The world was not big enough for the ideas of feudalism and laissez faire capitalism to exist together. The Russian Revolution overturned the old absolutist order in Russia and socialized both the means and the purposes of production, thus permitting the participation of all citizens in the economy. In this shrinking world there is not going to be room for a system that provides full employment and full participation of its citizens in the organic processes of the economy alongside a system that is stabilized with two-thirds of the people inside the economy and one-third outside, while big business wields the real power.

During the last twenty-five years we have learned that it may be possible to by-pass the question of socializing the means of production by socializing the purposes of production. Thus we may eventually achieve, in the words of Professor Keynes, the "euthanasia of the rentier class." The many excellent and practical suggestions



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made by Keynes for achieving this "euthanasia" with a minimum of social disturbance are valued so highly by the practical-minded British that they have rewarded the professor with a barony.

While a majority of American economists are in essential agreement with the views of Lord Keynes, few of them would dare confess this lest they be permitted to toil no longer in their respective vineyards. The diehard conservatism of our owning-ruling class perplexes British business men, who have the realism to see that "full employment" will be the imperative of the future and that if it cannot be achieved under present leadership, then other leadership must be provided. The members of the Union League Club, if they possess the intelligence that a ruling class must have for survival, will hang the picture of Lord Keynes in the place of honor. Otherwise the picture of Marx will be hung there, but they will not be on hand to see it.

A Program for Political Action

AS I watch the political alignments that are forming for the post-war period, I have the feeling that the situation is not very different from what it was when I entered the political arena some twelve years ago. At that time people were dimly aware that our national income had dropped from $83,000,000,000 to less than half that amount through man-made failure rather than through any act of God. There was also a general realization that we had operated far from capacity in 1929 and that under the right management income might as easily have gone up $45,000,000,000 as down by that amount. People expressed their feelings by voting against Mr. Hoover, who had become personally unpopular. When Roosevelt assumed office, he had fairly complete support for any steps that he might have chosen to take. There was little in the program that he sponsored, with the exception of the Tennessee Valley Authority and support of labor's right to organize for collective bargaining, that might not have been sponsored by an intelligent conservative.

Writing of this period in *Harper's* for October, 1939, under the heading "Roosevelt, the Rich Man's Alibi," Elmer Davis said:

> I venture to suggest that there is one class in American society (besides federal office-holders) which owes him not only affirmative but enthusiastic support; which ought to back him not merely for a third term but for life tenure. This is big business. To the leaders of industry, commerce, and finance Mr. Roosevelt has been such a godsend as they could not have dared to hope for in the dark days of 1932. . . .
>
> They [big business] ought to be the most zealous third-termers in the country. So long as Roosevelt is in the White House they are spared the painful effort of trying to think; spared, it may be, the still more painful confession that even if they tried to think no thoughts would come.

THE REAL ISSUE IN 1932-40

At the time I felt very keenly that the real issue was not between irresponsible reaction and realistic conservatism. I had the hope, with many others, that it might be possible to show that the real issue was between the stabilization of the economic system at a low level, as the New Deal was doing, and a program of capacity operation and full employment. In 1933 I joined with others in calling a conference of liberals in Chicago. Out of this conference came the Farmer-Labor Political Federation, of which I served as chairman until another conference was called in 1935, at which the Farmer-Labor Federation became the American Commonwealth Federation. I continued to serve as chairman of this organization until March of 1936, when it became plain that organized labor believed that the lines were drawn between straight unintelligent reaction, as exemplified by the Republican Party, and Roosevelt's realistic conservatism, which had given labor the right to organize; this, it felt, was a first step that must be protected at all costs. Under the circumstances it was plain that if the Commonwealth Federation stayed in the field it would only play into the hands of the Coughlinites and other third-party factions. The Federation, with its program of full production, was therefore dropped.

From the vantage-point of the physical world of tomorrow it will be hard to understand how, from 1932 to 1940 there could have been a struggle between pure negation on the one side and a program calling for the stabilization of the economic system at half of its potential capacity, with fully a third of the people completely on the outside, but this was in fact the issue that was posed. The great majority of liberals, together with all leaders of labor, felt that they had no choice but to fight with might and main for what they clearly perceived to be only the lesser evil.

THE OLD ALTERNATIVES ONCE MORE

As the post-war world begins to come into perspective, it seems clear that an effort will be made again to force us to choose between the same alternatives. But liberals simply dare not permit themselves to be completely outmaneuvered again. It is true that the alternatives will not

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be exactly the same, but the essential strategic aspects of the choice will be the same. If a liberal President is elected in 1944 he will almost certainly have a Congress as reactionary as the present one. He will have very little chance to put across any essential parts of an affirmative program. By his veto power he might save the country from some of the more ill-considered and unintelligent acts of such a Congress, but it is doubtful whether salvage of this kind would be worth while. The people would blame the President and his Administration just as Mr. Willkie is now blaming the President, amid plaudits from certain liberals, for acts that should more properly be blamed upon the reactionary majority in Congress.

Whether we have a Republican or a Democratic President in the immediate post-war period will not be a matter of great importance. Whichever party he belongs to, the Chief Executive is almost certain to be much more liberal in his economic and social outlook than the Congress with which he will have to work. In 1938 Congress took a drastic turn for the worse when some eighty liberals and midde-of-the-roaders were defeated by outright reactionaries. In 1940, though Roosevelt was re-elected, the people eliminated some twelve or fifteen more middle-of-the-roaders, replacing them with conservatives. The trend continued through 1942, when some fifty fair-to-middling Congressmen were replaced by conservatives and isolationists, the Administration retaining control of the organization of the House by only a few votes. The present Congress is considered the worst that has sat since the Reconstruction Congress in 1866. The Congress that is elected next year may be as bad as this one or it may be worse; it certainly will not be a good one.

With a liberal President and a reactionary Congress the liberals would feel called upon to come to the defense of the President's program no matter how conservative it might be; it would certainly be more liberal than the program of an ultra-reactionary Congress. This is exactly what happened between 1932 and 1940. It seems to me that historians of this period may well write that the leadership of Mr. Roosevelt was mainly responsible for the defeat of Germany and Japan. But in order to gain the support of big business for the prosecution of the war, the Administration has been obliged to make so many concessions to it that it does not seem possible that Mr. Roosevelt can now provide the leadership for an adequate program of full employment in the post-war period. In the meantime, the war program has been launched on such a scale that the defeat of Germany and Japan seems certain to be achieved whether there is a change in Administration or not. On the domestic front the political power from 1944 to 1949 will be in the hands of the Congress of the United States and not of the President. On the basis of his record from 1933 until 1940, Mr. Roosevelt in the post-war period would perhaps be able to formulate a program that would reduce

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WHY CAN'T ROOSEVELT MATCH THIS?

I regard it as a definite part of the duty and responsibility of this National Government to have its plans perfected in a vast and practical scheme to make sure that in the years immediately following the war, food, work, and homes are found for all.

No airy visions, no party doctrines or party prejudices, no political appetites or vested interests must stand in the way of the simple duty of providing before the end of the war for food, work, and homes. They must be prepared now during the war. These plans must be prepared, and they must come into action, just like, when war breaks out, general mobilization is declared. They must come into action as soon as the victory is won.

On this far-reaching work, His Majesty's Government are now concentrating all energies that can be spared from the actual struggle with the enemy. The policy of waging war till victory would be incomplete and, indeed, spoiled if it were not accompanied by a policy of food, work, and homes in the period following the victory for the men and women who fought and won.—WINSTON CHURCHILL at the Lord Mayor's Luncheon in London on November 9, 1943.

unemployment to ten million under even more difficult circumstances than prevailed from 1933 to 1941. I put it in this way because I feel that President Roosevelt lost his real opportunity in March, 1933, because of his belief that proponents of large-scale public-works programs were guilty of "shallow thinking."

It is quite possible that Mr. Willkie would also be able to reduce unemployment to ten million. I base this statement not upon any public utterance by Mr. Willkie but rather upon the picture that Drew Pearson has given of him in his "off-the-record" talks to Republican leaders.

If a post-war program were left to the collective intelligence possessed by the members of Congress, it seems to me almost certain that unemployment would come to exceed twenty million.

FULL EMPLOYMENT WILL BENEFIT MANY GROUPS

In theory it ought to be possible to persuade various groups in our society which would benefit from a "full-employment" program that despite rivalry and bitterness in the past there exists the basis for cooperative political action. It should be relatively easy to persuade labor of its interest in a full-employment program, because working people know that from 67 to 70 per cent of the total national income is paid out in the form of wages. The important thing is that this sum should be around $143,000,000,000 as in 1943 and not $42,000,000,000 as in 1933. It should be possible to point out the same thing to the farmers of the country, for farmers receive roughly 10 per cent of the total national income. Though farm help may be harder to get as employment rises, the farmer's economic interest is directly dependent on the size of the national income.

Small business men, professional men, and men in the service trades, all have their eggs in the same basket. A large national income offers them the only possible guaranty against being combed out in the post-war world.

Big business men, collectively, are not primarily interested in making a profit. This group, which might more accurately be termed the economic-monopoly group, is more interested in political power than in immediate profits, for it knows that in the long run economic control depends upon political control. Even if the total national income should be reduced to half its present amount, this group would be able to survive, and to earn some profits as well as pay executive salaries. Its members would rather see a low national income with themselves at the controls than a high national income with responsibility shared with the government. Besides, a low national income would automatically solve some troublesome problems by eliminating a lot of shoestring business men as competitors and permitting further consolidation of economic power.

LABOR'S ROLE IN THE FIGHT FOR FULL EMPLOYMENT

One of the important books of the last few years is "The Tragedy of European Labor" by Adolf Sturmthal. It is Mr. Sturmthal's thesis that European labor made a great mistake in carrying over the philosophy and the approach of trade unionism to the political front. The result was that the leaders of labor were never able to think in terms of the bold and comprehensive programs that might have provided a solution to their problems; they could not act with sufficient boldness to appeal to the imagination of people outside the trade unions. As labor leaders they had always fought with employers for a little gain here and a little concession there. When they moved to the political front they continued to act in the same way. This description of European labor applies equally well to American labor, but it must be added that in Europe labor had many excuses for its failure that do not exist here.

The steady trend toward conservatism in rural America since 1936 makes it very clear that the farmers of the United States have been completely estranged from labor's cause. The constant emphasis on strikes by the press and radio is even having the effect of causing men in the service to feel hostile toward labor. Their hostility will probably vanish, however, as soon as the men are demobilized and have reestablished their old contacts.

It even appears that a majority of the members of labor unions do not have a great deal of confidence in

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labor's political leadership. In a Gallup poll published August 20, 1943, people in the lower income groups were asked whether they would prefer rule by big business or rule by labor unions. Of this group, which was made up predominantly of union members, 33 per cent said they would favor rule by big business, 34 per cent preferred labor, and 33 per cent were undecided. A similar result was obtained when labor-union members were asked after the passage of the Smith-Connally bill whether they believed that labor unions ought to make contributions to political campaigns. Twenty-four per cent of union members expressed themselves affirmatively, 58 per cent in the negative, and 18 per cent "didn't know." The results of these two polls tie together very well. If the members of organized labor do not think that their leaders have any worth-while political program, no purpose would be served in permitting these leaders to make contributions to political campaigns. It also follows that if the labor movement as such does not have a political program that can gain the support of its own membership, it does not have a program that can be expected to arouse any particular enthusiasm on the part of farmers, members of the armed forces, or people with a middle-class point of view.

The program that is called for now is not one that grows naturally out of labor's trade-union experiences. The program must be much broader, so extensive that it can win over not only the great majority of wage-workers but also a majority of the farmers and white-collar workers. Above all, it must gain the enthusiastic support of the generation that fought the war. An agreement can be reached if there is first an understanding of the facts involved. Those facts are: (1) that we have a productive capacity that will enable us to fix in advance the extent of our national income at any point up to $200,000,000,000; (2) that this cannot be done by letting nature take its course, but only by putting in operation a program adequately designed to accomplish its object; (3) that all classes and groups within the country, except economic monopoly, will be benefited.

PROSPECTS FOR 1944

Most of the public-opinion polls that have been taken during the past year indicate that the American people would support a fourth term for the present Administration if the outcome of the war were still in doubt; but that they would be against a fourth term by a two-to-one majority if the war were over. While the war may still be in progress in the Pacific a year from now, the indications are that the back of the Axis will be broken by then. It would be reasonable to expect, therefore, that the President himself might not fare any better at the polls next November than would other candidates on his party ticket. For 1944 would not be

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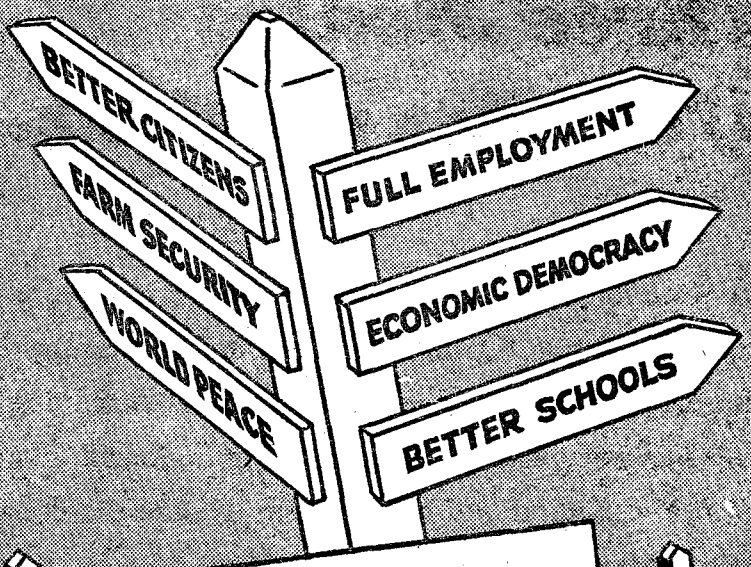

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